

In the Matter of:)
)
Application for Certification) Docket No.
Bullard Energy Center) 06-AFC-8
_____)

RIO VISTA MIDDLE SCHOOL
6240 WEST PALO ALTO AVENUE
FRESNO, CALIFORNIA 93722

5:05 p.m.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMITTEE MEMBERS PRESENT

John L. Geesman, Presiding Member

Jeffrey D. Byron, Associate Member

HEARING OFFICER AND ADVISORS

Garret Shean, Hearing Officer

Kevin Kennedy, Advisor

STAFF AND CONSULTANTS PRESENT

Dick Ratliff, Staff Counsel

Mary Dyas, Project Manager

Linda Bond

Alvin Greenberg, Consultant

PUBLIC ADVISER

Nick Bartsch for Margret Kim

APPLICANT

Allan Thompson, Attorney

David Jenkins

Michael King, Project Manager

Gary Chandler, President

Bullard Energy Center, LLC

Margaret Fitzgerald, Senior Project Manager
URS Corporation

Dale Fredericks
DG Power

ALSO PRESENT

Aubrey Morlet

ALSO PRESENT

Mukasa Kezala

Kelly Hobbs

Edwina Wittinhill

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I N D E X

	Page
Proceedings	1
Introductions	1,6.42
Opening Remarks	1
Presiding Member Geesman	1
Hearing Officer Shean	4
Presentations	7
Applicant	7
Questions/Comments	29
CEC Staff	43
Issues Identification Report	54
Proposed Schedule	55
Questions/Comments	56
Public Comment	78
Public Adviser	107
Closing Remarks	113
Adjournment	113
Reporter's Certificate	114

1 P R O C E E D I N G S

2 5:05 p.m.

3 PRESIDING MEMBER GEESMAN: I want to
4 thank you all for coming out this evening. I'm
5 John Geesman, a Member of the Energy Commission
6 that has been assigned to preside over a Committee
7 of two Commissioners. My colleague, Jeff Byron,
8 is to my left.

9 The Energy Commission is responsible for
10 reviewing permit applications for thermal power
11 plants above 50 megawatts in size in California.
12 We conduct a process that takes about 12 months.
13 We review all of the environmental, public health
14 and safety requirements that would be affected by
15 the power plant application.

16 At the end of that process we determine
17 if the application should be approved; if
18 conditions should be attached to an approval; or
19 whether the application should be denied.

20 This is the first opportunity
21 Commissioner Byron and I have had to hear about
22 the project. In baseball terms, this is the first
23 inning. Tonight we will hear a presentation from
24 the applicant describing the project.

25 We'll hear from our staff. Now, the

1 Energy Commission, in siting cases, the staff is
2 an independent party. They don't work for
3 Commissioner Byron or me. They are entitled to
4 form their own independent positions and present
5 those to Commissioner Byron and myself for our
6 determination as to whether the staff opinion is
7 entitled to any weight or not.

8 Staff will go over their preliminary
9 review of the application. And then we'll
10 conclude tonight with an opportunity for comment
11 from members of the public.

12 This will be the first of probably
13 several, perhaps many, public events that we hold
14 here in Fresno. The staff will conduct workshops.
15 Then in about six months the Committee,
16 Commissioner Byron and myself, will come back to
17 hold what we call evidentiary hearings on issues
18 that are disputed between the staff, the applicant
19 or any other parties to the proceeding.

20 At the end of that evidentiary phase
21 Commissioner Byron and I will be expected to
22 present a proposed decision in the case. We'll
23 circulate that proposed decision. We may very
24 well hold a public hearing on the proposed
25 decision.

1 And then the decision will be forwarded
2 to the full Energy Commission. And the full
3 Commission, there are five Members of the
4 Commission, the full Commission will take action
5 on that at one of our public business meetings.
6 My hunch is that that business meeting will
7 probably take place late December of this year, or
8 early January of next year. So we're probably
9 about 11 months away from a final determination in
10 this proceeding. And as I indicated, I expect
11 we'll be back in Fresno multiple times.

12 Now I'm going to turn over the conduct
13 of tonight's hearing to Garret Shean. He's the
14 Hearing Officer that conducts our public process.
15 And his interest as we get further into the
16 proceeding will be to make certain that we develop
17 an evidentiary record on which to base our
18 decision.

19 By law, the only considerations that
20 Commissioner Byron and I are able to take into
21 account in reaching a decision in this case is
22 what's in our evidentiary record. Mr. Shean is
23 responsible for developing and assembling that
24 evidentiary record. And then he assist us in
25 drafting a proposed decision.

1 Garret.

2 HEARING OFFICER SHEAN: Thank you,
3 Commissioner. As I indicated in the preliminary
4 comments, and now just for the record I'll repeat
5 them partially, if you'd like to speak we have
6 this blue card here that's available for you.
7 It's not required that you have it in order to
8 speak, but it would assist us because we'll bring
9 them up here to the front and call your name as we
10 go along near the end of the proceeding.

11 I'd like to indicate further that there
12 are multiple ways that you can get more
13 information with respect to this proceeding. And
14 it's our goal to make sure that you get as much
15 information as you want; and we'll let you
16 determine when you have enough and whether or not
17 you want to elevate your level of participation.

18 The easiest way for you to obtain
19 information with respect to this proceeding is
20 through the Energy Commission's website. Later on
21 in the staff's presentation they will give you the
22 URL for that so that you can look it up on your
23 computer. You can monitor at your pace what
24 information you want to get with respect to the
25 case.

1 Currently it has on it the applicant's
2 full application for certification filing, which
3 is a huge pdf file. And on that same site you can
4 sign up on the listserver, which means that
5 automatically you will begin to get notification
6 at your email address of any new developments with
7 respect to the case, anything that's being posted
8 on the Energy Commission's website.

9 Another option for you, if you do not
10 have internet service, is to sign up for a postal
11 notification which will give you notice of all the
12 hearings either conducted by the Committee or
13 subsequent workshops that will be conducted by the
14 staff. They will be here in the local area; it
15 will tell you when and where and the subject
16 matters that are going to be covered, as well as
17 further notification of any documents that are
18 produced by the staff.

19 They will describe them for you later,
20 but there are essentially two of them. And they
21 involve public input in the preparation of the
22 preliminary document, and an opportunity for you
23 to review their final assessment of what they
24 think the potential impacts of the project are.

25 So, I request again, make sure in your

1 own mind that you've provided us a legible
2 internet address, if that's what -- or email
3 address, if that's how you would like to receive
4 your notification. And the same thing with
5 respect to your postal address, your street
6 address, as well as your zip code.

7 What we're going to do from here then is
8 to have the applicant make its presentation;
9 introduce some of the people that they have here.
10 They will have a PowerPoint presentation. And at
11 the conclusion of that if there are any questions
12 from the audience we'll ask you if you can come
13 forward or if you can be heard to go ahead and ask
14 those questions, and we'll try to get you as
15 responsive an answer as they can provide you at
16 tonight's meeting.

17 So, with that, we'll have the applicant
18 introduce your staff, and thank you.

19 MR. THOMPSON: My name's Allan Thompson;
20 I'm counsel to the applicant for CEC matters.

21 MR. KING: And my name's Mike King; I
22 work for Energy Investors Funds in the Bullard
23 Energy Center in the technical development.

24 MR. CHANDLER: My name's Gary Chandler;
25 I'm the President of Bullard Energy Center.

1 MR. JENKINS: Good evening, folks; my
2 name's Dave Jenkins and I manage the environmental
3 programs for Bullard Energy Center.

4 MS. FITZGERALD: I'm Maggie Fitzgerald
5 and I'm a consultant to Energy Investors Fund.

6 (Pause.)

7 MR. JENKINS: Excuse me while I take a
8 second to set up, folks.

9 MR. THOMPSON: Well, do you want the
10 introductions?

11 HEARING OFFICER SHEAN: We'll wait for
12 them.

13 MR. JENKINS: Well, again I want to
14 welcome you folks, -- the Commissioners,
15 Commission Staff and management are here. But I'm
16 particularly pleased that what appears to me to be
17 members of the community and interested parties
18 are here. And we certainly look forward to this
19 opportunity to provide you with some very high
20 level, the big picture, if you will.

21 And as Garret Shean indicated, there is
22 a huge reservoir of information available through
23 the Commission, both through our application and
24 responses to questions and inquiries from the
25 Commission to date. And those will be ongoing

1 throughout this several-month process. So, again,
2 welcome.

3 If you don't mind I'm going to actually
4 have a seat here and manage my projector here.
5 But, again, welcome.

6 Again, folks, my intent is to give a
7 very high level overview of our project. And what
8 I've tried to do here over the next 20 minutes or
9 so is to give you a little bit of information
10 around the physical aspects of the plant, itself.
11 But I particularly, especially given my background
12 in environmental, I really want to get to what I
13 think is probably some of your major concerns. So
14 I've modeled this brief presentation to what I
15 think would be some of the more significant
16 community concerns.

17 And before I get into some of those
18 physical details around the project, I'd like to
19 give a little bit of information as to why is
20 there a need for a power plant, and more
21 specifically, why here in northwest Fresno. I'm
22 sure that's a question that's bearing pretty
23 heavily on a number of your minds.

24 I think most everyone here, if not
25 everyone, would recognize the fact that we're in

1 an era of energy deficiencies, at least in terms
2 of peak demand. When it's very hot outside, when
3 there's a lot of activities at certain times of
4 the day, when baseloaded stations at remote
5 locations throughout the state, and even from
6 outside of the state, really aren't sufficient to
7 meet those peak demands.

8 And I think as you think about how do
9 parties like Bullard Energy Center overcome that
10 deficiency, I think it's very key that you
11 understand that it's not sufficient to have power
12 generated in Nevada, in Utah, or wherever, and
13 have it transmitted through transmission towers
14 many many miles. It really, from a physical
15 perspective, it defeats the whole underpinning of
16 power efficiency which has cascading effects from
17 an environmental perspective, not to mention it
18 has cascading bad effects in terms of reliability
19 and the quality of the power at times we really
20 need it most.

21 To that end, this particular corridor
22 here in northwest Fresno not only in our minds,
23 but in the minds of other parties which I'll
24 describe later, certainly at least in our minds
25 support the idea of getting power near where it's

1 needed without having to transmit it through miles
2 and miles of transmission lines.

3 And to that point, the transmission
4 lines that we would hope to connect to are really
5 already in place; they're already serving Fresno
6 and the surrounding communities. And to a large
7 extent, the natural gas trunklines are also in
8 place. So those were certainly two key physical
9 factors that came to mind as we determined, and
10 other parties determined, that this particular
11 site is ideal from a power efficiency perspective.

12 Well, now to tell you a little bit about
13 who we are, Bullard Energy Center is a limited
14 liability corporation that is wholly owned, funded
15 and to be operated by Energy Investors Funds,
16 which is the largest private holder of energy-
17 related assets in the United States.

18 They're based out of Boston, but they
19 have major offices in San Francisco, as well. And
20 they've got a number of projects ongoing now,
21 actually in operation here in California and other
22 parts of the west.

23 Now I'm not going to get into a lot of
24 details around the Commission's process; I'm going
25 to leave that to the Commission, itself. But I

1 think it's important for you all to understand
2 that our prospect here needs to be differentiated
3 between what I think that you've read about in the
4 papers of, say, the late '90s and the early 2000s.

5 What we have proposed here through a
6 power purchase agreement with PG&E is a 20-year
7 contract whereby PG&E is obligated to take the
8 power that we generate up to a certain amount.
9 And I'll describe those parameters later.

10 This is not, as you've witnessed, I'm
11 sure, here in California, this is not a merchant
12 plant. Those plants were built effectively by
13 speculators with the knowledge that there was a
14 need for power sales, but they just weren't
15 structured right and they didn't have long-term
16 power purchase agreements like this project does.
17 So, it's important that you understand that
18 financial and long-term arrangement that we have
19 with PG&E from a power sales perspective.

20 There's also the California Public
21 Utilities Commission process. Without the PUC
22 approval not only would our project not be
23 allowed, but effectively no power project would.
24 And that, in and of itself, is a very lengthy
25 process; a very stringent analysis that is

1 performed by the Commission and their consultants
2 and others.

3 And our project actually was granted PUC
4 approval back in November of last year. Again, a
5 very key step. Had that not taken place, we would
6 not be at this point with the application for
7 certification with the Energy Commission
8 presently.

9 Another, of course, very crucial step
10 and tonight's the very first milestone as far as
11 the public is concerned, is the Energy Commission
12 process, itself. And, again, I think we are
13 fortunate to have the Commission here, so I am not
14 going to attempt to describe that process to you.
15 I think they're better served to do that. I'll
16 look to Mary for those details.

17 Now I'd like to kind of get into more of
18 some of the physical things around the project,
19 itself. And, of course, the very first thing
20 that's critical, moreso than the actual equipment
21 that we choose, is the location. As I indicated
22 in my introduction you can't just put these
23 projects anyplace and hope to serve the actual
24 energy demand where it's needed. The plants very
25 much need to be close to that demand density. And

1 I think certainly Fresno and the surrounding area
2 is in a situation where they need added peaking
3 capacity.

4 Again, it's not just being near the
5 demand, but it also, from an environmental impact
6 perspective, from a financial perspective and
7 others, it's important that a site look to
8 existing infrastructure, namely the electrical
9 interconnect and also the natural gas supply line,
10 both of which this site that we've chosen have.

11 One of the things that made us
12 successful in the eyes of PG&E -- and by the way,
13 I want to say that we competed with a number of
14 entities through a bidding process with PG&E; and
15 we were one of the successful bidders, I think in
16 large part not just because of the location being
17 near infrastructure that's existing, but also
18 because of the latest technology that we're
19 employing in these two units.

20 What we are proposing to do is use
21 General Electric's latest combustion turbine
22 technology that will be fueled solely by natural
23 gas. And not only is it inherently less polluting
24 than other peaking power types of technology, but
25 it has other attributes that PG&E really thought

1 that our prospect brought to bear that others
2 didn't.

3 A few of those include the fact that
4 these units are about 10 percent more efficient
5 than GE's latest iteration of these combustion
6 turbines, which you would recognize has its own
7 then inherent environmental benefits than others.

8 Also, these particular units have the
9 ability to do startup very quickly; get to maximum
10 peak load very quickly, while maintaining and
11 meeting all of the stringent California and
12 federal ambient air quality standards.

13 So, again, in terms of peaking power
14 these units can get from zero to 200 megawatts in
15 about 30 minutes, which is remarkable for --
16 actually ten minutes to get to usable power, and
17 at tops about 30 minutes to get to full power with
18 everything at top efficiency.

19 There's an awful lot I can tell you
20 about the design and technology, but given my
21 short timeframe, and maybe your lack of appetite
22 for those sorts of technical details, I would just
23 encourage you to go out to the CEC website and,
24 believe me, there's plenty of information from a
25 design and technology standpoint.

1 What I'd like to do now is shift a
2 little bit into the construction. These units are
3 rather modular in nature. They'll come in pretty
4 much preassembled which really cuts down on the
5 construction period. We're looking to construct
6 hopefully beginning around March or so of 2008,
7 roughly a year from now.

8 The construction period will last
9 approximately 18 months or so. We'd like to be
10 fully commissioned by August, September of 2009.

11 Now, even though these units are fairly
12 modular, they do require a lot of construction
13 workers. We're thinking -- we're planning
14 actually that up to about 250 construction workers
15 will be onsite during the peak construction
16 period. And the majority of those workers will be
17 obtained through the California building
18 construction trades.

19 And lastly I'd just like to say a few
20 words about operations. For the power purchase
21 agreement with PG&E and as we've represented in
22 our AFC to the Commission, each of these two units
23 will be permitted and expected to run up to a
24 maximum of 5000 hours per year, roughly two-thirds
25 of the time.

1 Now, being peaking units they likely
2 will not run that much regardless of how many
3 years from now or the temperatures or whatever.
4 But that's what they'll be permitted; and that's
5 what they're designed to run at.

6 Again, these are peaking plants, so they
7 won't run around the clock for weeks on end. They
8 are hopefully to be permitted to have one startup
9 per unit per day, so they'll start up and run for
10 a few hours and then shut down. That's the nature
11 of these so-called peaking plants.

12 Given that the plants will actually be
13 dispatched by PG&E per our power purchase
14 agreement, and just given the nature of the
15 technology, from an operations standpoint there
16 will only be nine or so full-time employees. But
17 as I'll explain a little bit, that doesn't mean
18 that there won't be significant employment and
19 revenue resources that come into the City and the
20 area as a result of operations.

21 As I said, I tend to focus mainly on the
22 environmental pieces of this, and so I've kind of
23 devoted more time; I took away some of the
24 technology stuff from our engineer types here.
25 But I thought that that would be something that

1 you would have really more interest in, as opposed
2 to efficiencies and power purchase agreements and
3 that sort of thing. And I think as Mary Dyas,
4 with the Commission, is going to get into more
5 detail with.

6 There's approximately 18 or so
7 individual areas that are studied very thoroughly;
8 and again are represented in our application and
9 other responses on the Commission's website. I
10 would invite you to go out. They really get into
11 the detail of what was involved with those studies
12 and the outcomes of those studies.

13 I've just picked a few here, which again
14 I thought might be most on your mind, but there
15 may be others. In fact, I'm sure there is. That
16 would be air quality; water resources, of course,
17 being here in the Valley; and then a few other
18 environmental areas including noise, traffic and
19 visual impacts. Again these are about five or six
20 areas out of about 18 that were actually studied.
21 And I would again invite you to go to the website
22 to see all of the others.

23 I'm going to get into each one of these
24 just a little bit. From an air quality
25 perspective, again, not just because we want to be

1 good neighbors, or not just because this latest
2 iteration of technology happens to be inherently
3 clean, but because we're here in California that
4 has very stringent ambient air quality standards.
5 And I think, as most of you would recognize, much
6 more stringent even than the federal standards.
7 So, these units are designed and would be built to
8 employ those best available control technologies.

9 And in making a determination that there
10 are no significant air quality impacts we actually
11 modeled these units under a worst case scenario.
12 Typically full load for both units under the most
13 stringent temperature constraints, typically when
14 it's hottest out. So it wasn't like we modeled
15 for average, or what we think might happen. It
16 was actually modeled around worst case scenarios,
17 which include startups, by the way.

18 And, again, the lengthy air modeling
19 studies that were conducted indicated that there
20 are no significant air quality impacts to not only
21 the neighborhoods around close proximity to the
22 two units, but in areas beyond; the whole airshed
23 here in the Central Valley and even beyond.

24 And I also want to note, and again, this
25 is driven primarily by the Central San Joaquin

1 Valley Air Pollution Control District regulations,
2 but also through carbon and through other
3 California regulations. For what emissions we do
4 emit, those that we can't control, or control
5 effectively, we've actually purchased offsets for
6 these classes of pollutants which, in effect,
7 present a no-net increase in so-called mass
8 loadings of these classes of pollutants into the
9 region. So I think it's important that you
10 recognize that.

11 I want to move over into water
12 resources. It was pretty obvious to us, and I
13 think you'd have to live on another planet
14 actually to not recognize that water resources are
15 extremely valuable here in the Valley; in Fresno
16 and the surrounding area, much of the Central
17 Valley, not all.

18 We're very cognizant of those issues,
19 both political, statutory, regulatory, throughout
20 our design and working through various contracts.
21 So we certainly wanted to home in early on as to
22 identify what our water use was going to be, and
23 more importantly, what was the source of that
24 water.

25 Well, I think as you all would probably

1 know, and certainly those of you that work in the
2 environmental field, the State of California has
3 got a very strict water conservation policy. And
4 effectively that policy gives a hierarchy of uses.
5 And they like to see projects, whether it be a
6 power plant, industrial concern, or whatever, even
7 Parks and Recreation, for that matter, start with
8 a very low quality water and work up the hierarchy
9 through financial and other analyses to determine
10 what is the best use.

11 Well, we conducted an analysis of water
12 resources here in this area. And I want to inform
13 you that we did not choose a very low quality of
14 water. In fact, we evaluated varieties of classes
15 of water, but in our discussions with the City we
16 ultimately chose a very high quality water.
17 Probably shocks a lot of you. We're actually
18 hoping to use, planning to use City water.

19 Now, that probably would strike you all
20 as rather odd, maybe even rebellious. However,
21 what we have entertained with the City, we've had
22 a number of discussions with the City early on, is
23 we would like to cooperate with the City to
24 develop and have a long-term water offset plan
25 whereby we would clean up a nitrate-contaminated

1 plume, a huge reservoir of underground water in
2 the southeast part of the City. And offset, truly
3 offset whatever water we would use.

4 That water presently is not usable
5 because it doesn't meet both primary and secondary
6 drinking water standards. And we would propose to
7 clean it up and have that water to the City's
8 avail for public drinking water in that part of
9 the City. And then we would use water that would
10 be made available here in the northwest part of
11 the City.

12 Now, in addition to that, we've also
13 talked with the Fresno Irrigation District and the
14 City utilities; and while we don't have anything
15 really firm, we recognize that Fresno and the
16 region is in an aquifer over-draught. In other
17 words, there's more water being taken out than is
18 replenished through snow melts and through
19 groundwater movement.

20 So we're in discussions with augmenting
21 our groundwater treatment program with a potential
22 to do an aquifer recharge actually somewhere up
23 here in the northwest part of the City. Again,
24 the goal would be to have a no-net impact on water
25 resources in the City of Fresno as a result of

1 these two prospects.

2 I want to get into just a few of the
3 other environmental areas, what I would expect you
4 to have some concern with. Traffic. Obviously
5 it's no secret to you folks, traffic not only
6 introduces time problems, quality-of-life issues,
7 but just more vehicles creates more of a problem
8 with the Valley's air quality.

9 Again, as I noted, our plant just by its
10 design and operation, we're really only
11 forecasting nine full-time employees. And there
12 would be incidental vendor traffic, but it's not
13 like a manufacturing concern where there's lots of
14 materials coming in and out on a daily basis. So
15 we really are quite confident that traffic will be
16 of no consequence as the result of the operation
17 of this plant.

18 Noise. Another serious quality-of-life
19 issue. I think most of you would recognize that
20 the City of Fresno has very strict noise
21 ordinances. In fact, we've got to meet a noise
22 level around 55 db or so. To kind of give you an
23 idea, this room right now is probably roughly
24 about 45 db. And we honestly feel with that
25 stringent ordinance standard that the plant, you

1 won't be able to differentiate whether the plant
2 is running or not, compared to background noise
3 from whether it be the railroad corridor or
4 highway 99, or other just background noise from
5 traffic and other goings-on here in the locale.

6 And by the way, I'm going to interject
7 here, if you didn't catch on the way in, I would
8 suggest on your way out we do have a few poster
9 boards over here that give you some visuals,
10 particularly; and also some details around these
11 noise levels. Two of the concerns that I'm
12 talking about here. I would encourage you, if you
13 haven't already, on your way out to take a look at
14 those. Again, those are extracted out of the
15 application. And there's a lot more detail there,
16 of course.

17 I've already talked a little bit about
18 the visual. But, again, from a visual perspective
19 we're already in a corridor that has an existing
20 transmission line. Those lines are roughly 100-
21 plus feet. And we're going to be building right
22 up next to an existing tower, at that height. And
23 our two stacks are going to be the prominent
24 horizon features of the entire plant. And they're
25 going to be at 90 feet.

1 So we would recognize that while these
2 are not going to be hidden from the community, we
3 would forecast that given what's there already,
4 that these are not going to be some visual
5 obstruction that's really going to create a
6 problem with quality of life from a visual
7 perspective. Of course, that's very subjective.
8 I'll leave that to you all, as individuals, to
9 make that final judgment.

10 And I think it is important to note on
11 one of the poster boards over here we've taken
12 pictures from various existing points of view and
13 superimposed the plant either behind existing
14 structures or over them. And that'll give you a
15 pretty good idea of how this is going to look from
16 about a half a dozen or so vantage points. And
17 there are more of these vantage points and views
18 in the application.

19 From a health and safety perspective
20 these plants, given that they're based on
21 combustion turbine technology, really don't employ
22 a full suite of hazardous chemicals, gases under
23 pressure, outside of the fuel, itself.

24 And I want to go on record as saying
25 that combustion turbine technology, which has been

1 around for power generation for oh, a good four
2 decades, it's got an extremely good track record,
3 not only in industrywide, but in the electric
4 power generation business in particular in terms
5 of very low instances of both onsite health and
6 safety issues, and certainly has a good record in
7 terms of having little impact health-and-safety-
8 wise on the communities in which they're located.

9 Talk a little bit about some of the
10 benefits. And, again, I'm repeating myself here a
11 little bit, but I think it's important for me to
12 drive some of these points home.

13 The power generated from Bullard will
14 certainly be reliable. And it's not just because
15 of the latest iteration of these turbines, again,
16 which have been around for a number of decades.
17 But they're going to be located hopefully close to
18 where you folks need the power. They're close to
19 existing substations; they're using existing
20 interconnected lines; and it won't be like you're
21 relying on power generated 200 miles away, two
22 states away. Yes, it's in your backyard, but
23 there's a certain plus, a huge plus in terms of
24 really lowering your risk in terms of your air
25 conditioning going off during hot times, or your

1 medical units, or just whatever you rely on that's
2 driven by electricity.

3 And, again, I want to emphasize that
4 given the fact it's natural gas, and that there's
5 a high efficiency, there's going to be less of it
6 burned per the amount of electricity that's
7 actually generated.

8 Again, we're planning to be a no-net
9 user of groundwater; a very valuable resource,
10 recognizably so, per the plans that I've described
11 earlier.

12 Again, while we're not going to have a
13 large employee workforce, we do understand that
14 there will be an indirect positive impact from an
15 employment standpoint on the community, just
16 because of vendors and other indirect
17 applications. Again, kind of gets back to
18 contractor and supply revenues.

19 And, of course, we'll be paying our fair
20 share of not only property taxes, but other taxes
21 that will certainly help the revenue in the
22 coffers here locally.

23 In summary, again, to repeat my intro,
24 Fresno undoubtedly is in a situation now where it
25 needs more, not the same, but more peaking power.

1 And not just more again imported, but more power
2 here in the City to meet your current needs, not
3 to mention needs that are almost at your doorsteps
4 in terms of technologies that are going to come on
5 for other quality-of-life issues such as electric
6 vehicles, for example. So I just can't state this
7 emphatically enough.

8 And, again, I don't want to pose or try
9 to whitewash this. We believe, given the nature
10 of these machines, the nature of the fuel, the
11 nature of the back-end emission controls, our
12 water plan, a number of other things, that we are
13 providing power potentially in the most
14 responsible environmental way that we know how. I
15 would challenge anyone to bring us a technology, a
16 generation technology for peaking purposes that
17 would outshine the machines that we plan to use.

18 And as I mentioned earlier, there's a
19 number of other benefits outside of just the
20 immediate benefits of having power here in your
21 backyard. And again, those have to do with tax
22 revenues, a number of others, employment and so on
23 and so forth.

24 I've only spent, what, 20, 30 minutes
25 here giving you a very high level. I've

1 encouraged you to go out to the CEC website and
2 try to make some sense out of the highly technical
3 studies and analyses that we have done and other
4 have done.

5 And as you do so -- it is a very
6 complicated landscape, and as you do so I know
7 you're going to have questions. Of course, you
8 can always go to Mary Dyas and the technical staff
9 at the Commission, but we would invite you to
10 actually come to us.

11 And I would encourage you to call or
12 email both myself, but also Maggie Fitzgerald, who
13 is with URS, our principal environmental
14 consultant on this project, who would be very
15 happy to explain the analysis that was done, and
16 give you any other insights into how we've pulled
17 this project together and made the recommendation
18 that we have to the Commission.

19 So, with that, I want to thank you for
20 your attention. We really appreciate you all
21 being here tonight. And I've met a number of you,
22 and I hope to meet yet a number of you yet before
23 you leave tonight. So don't hesitate to come up.
24 Thank you very much.

25 HEARING OFFICER SHEAN: All right, with

1 that, as promised, if there are any questions of a
2 substantive nature that you have for the applicant
3 we'd be happy to entertain them. If you need a
4 clearer understanding of the project, we'd be
5 happy to entertain those at this particular time.

6 Rather than general comments, the idea
7 is to ask any clarifying questions that you may
8 have. If it ends up you don't have any, we'll go
9 to the staff and you'll hear from the staff an
10 overview of the process that they're going to be
11 involved with, the public process, the documents
12 they'll produce. And they have some preliminary
13 discussion about the issues that they have
14 identified to date.

15 So, unless we have a --

16 UNIDENTIFIED AUDIENCE SPEAKER: Yes, I
17 would like to know how long we've had this
18 cutting-edge technology. How long has it been in
19 true use, as opposed to experimental use?

20 MR. KING: Actually, this particular
21 unit that will be put on this site has been in
22 operation since August of last year in South
23 Dakota. There's only one unit in operation at
24 this point in time. We expect that there will be
25 about ten of these in full operation by September

1 of 2009 when this goes into service.

2 UNIDENTIFIED AUDIENCE SPEAKER: So, to
3 clarify, we don't have any true statistics of this
4 technology and how effective it is and how safe it
5 is.

6 MR. KING: We do have all of the --
7 there was a prototype unit that was built in
8 Houston, and with a great deal of instrumentation
9 put on it, and several tests run. In addition,
10 this technology is really the evolution of two
11 existing technologies, kind of a marriage of those
12 with some efficiency enhancements.

13 So, it's not a completely new
14 technology, it's just a new way of putting it all
15 together and making the most efficient power.

16 UNIDENTIFIED AUDIENCE SPEAKER: And do
17 you have any stats or some kind of report that we
18 could access if we needed to on those tests?

19 MR. KING: We don't even have all of the
20 detailed tests. We have the efficiency of the
21 units which is listed in our application. We have
22 the air emissions from the units which is listed
23 in our application. We have noise studies that
24 are in our application.

25 So, everything that we know about those

1 units is in our application. There is a little
2 bit of information on the GE website. The units
3 are called the LMS100.

4 UNIDENTIFIED AUDIENCE SPEAKER: LMS --

5 MR. KING: LMS100.

6 UNIDENTIFIED AUDIENCE SPEAKER: And that
7 website is?

8 MR. KING: I would have to get back with
9 you on that.

10 MR. THOMPSON: If you just go to General
11 Electric.

12 UNIDENTIFIED AUDIENCE SPEAKER: Thank
13 you.

14 UNIDENTIFIED AUDIENCE SPEAKER: I have a
15 question about the cooling towers. One thing that
16 (inaudible) you'll be using in those cooling
17 towers? And will hexavalent chromium be one of
18 them?

19 MR. JENKINS: I can answer the latter
20 question. Unequivocally, no. No hexavalent
21 chromium.

22 UNIDENTIFIED AUDIENCE SPEAKER: Good.
23 Anything like it?

24 MR. JENKINS: Not at all. No metal type
25 of corrosion inhibitors. I don't know

1 specifically which corrosion scale inhibitor that
2 we will be using, but I can say it will not be
3 hexavalent chromium.

4 UNIDENTIFIED AUDIENCE SPEAKER: Is there
5 any way that we can find out what you will be
6 using?

7 MR. KING: That's in the application.

8 MR. JENKINS: Yeah, I think it is.
9 Actually I think it's a sodium hydroxide based; a
10 fairly common, relatively low-risk compound. And
11 then there would be some, I think some biocides
12 associated with that. Again, I think Mike's
13 right; I think that we did list the two or three
14 key compounds. I just don't have those to memory.

15 HEARING OFFICER SHEAN: All right, if
16 there's nothing more we'll have -- yes, sir.

17 UNIDENTIFIED AUDIENCE SPEAKER: I'd like
18 to ask about the site selection process. In your
19 document, and I don't have the exact wording
20 because I just found out about the meeting a
21 couple hours ago.

22 In your pdf document, I believe it's
23 section 4 that talks about the site selection;
24 that there are only three alternatives, including
25 this one. And there's also the Gregg Substation,

1 and the Herndon Substation and Kearny Substation.

2 And in your documentation it says that
3 the Herndon and Gregg Substations were dropped
4 because of residential and commercial properties
5 in the area. And looking on maps that you have,
6 the closest houses to Gregg are within .8 of a
7 mile, and the closest ones to Herndon were about a
8 half a mile.

9 Our houses are within 1000 feet. And
10 I'm just wondering why ours (indiscernible)
11 consideration for the same thing?

12 MR. JENKINS: Well, I'd like to
13 introduce one more member of our team, Dale
14 Fredericks. Dale has some long history with the
15 site selection. And, Dale, would you care to
16 answer this gentleman's question?

17 MR. FREDERICKS: I'm Dale Fredericks.
18 My company, DG Power, started working on the
19 potential of constructing a peaking plant in this
20 area about six years ago. We investigated a
21 number of sites at the time.

22 And the Energy Commission has requested
23 some additional detail be provided by our project
24 company on the subject of alternative sites. So
25 we will be preparing a much more lengthy and

1 detailed response to the Energy Commission's
2 request for further information on those topics.

3 But just by way of a quick overview, the
4 Gregg Substation is across the river in Madera
5 County. It is currently surrounded by
6 agricultural lands. It's my understanding that
7 that area is destined to become all residential in
8 the future. Much of the land around there has
9 been acquired by residential developers who did
10 not want to sell to anyone planning to put a power
11 plant there. They already have their long-term
12 plans in place.

13 Beyond that, our investigation with PG&E
14 essentially showed that Gregg was not a good
15 location to interconnect a new peaking plant. And
16 that has to do with various technical reasons of
17 the electric transmission system.

18 Gregg is a major substation; a lot of
19 the pumped hydro and the hydroelectric power from
20 the mountains flows through there. It has voltage
21 swings and so forth.

22 So in talking with PG&E we concluded
23 that Gregg was not a good place to propose to
24 interconnect a peaking plant that would serve the
25 northern part of Fresno, Clovis and this region.

1 In addition, the Kearny Substation is
2 quite a distance to the south. And in order to
3 construct anything there -- first of all, it's all
4 City-owned land around there that seemed to be
5 feasible.

6 At first blush it appeared to be an
7 attractive alternative location. But, there isn't
8 enough electric transmission capacity in that line
9 that runs from Kearny all the way up to the
10 Herndon Substation. It would have necessitated
11 reconductoring or rewiring that entire system,
12 which was not attractive to PG&E and was cost
13 prohibitive. So that's essentially the reason
14 that Kearny wasn't an attractive place.

15 Lastly, this project at its location
16 right now interconnects to the Herndon Substation.
17 And we will be beefing up, so to speak, the
18 transmission system from our location for the two
19 miles up to Herndon Substation in order to get
20 this additional power up to Herndon.

21 For those of you who are familiar with
22 it, if you drive up Golden State Boulevard and
23 cross the tracks, and then north on Weber to where
24 the road ends, you'll find the Herndon Substation
25 up there; been there for decades. It's a major

1 substation that supports this entire region.

2 Radiating out from Herndon there are a
3 variety of different voltage electric transmission
4 lines that serve this entire region. And this is
5 the substation at which PG&E most desire this new
6 peaking plant to interconnect. It was number one
7 on their list. That's why I've been working on
8 this for several years. That's where it's needed
9 the most; that's where the power can most
10 effectively serve the region.

11 So you say, well, if that is true, why
12 not just put this plant right at Herndon
13 Substation. Back in 2001 we had proposed to do
14 that. We were going to construct a new peaking
15 plant right adjacent to the substation. Land
16 around there is mostly owned by PG&E until you get
17 further north you notice there are some County
18 facilities. And east of PG&E it's privately
19 owned.

20 PG&E went into bankruptcy, as we all
21 know. When that occurred there were major changes
22 in the way they conducted their business. And
23 decisions were made at a high level of the company
24 that they would not lease any of their company-
25 owned land to anyone for purposes of new power

1 plant construction. And that continues to be
2 their company policy.

3 So we could not construct the plant
4 there, even though at first blush it was the most
5 logical place to put a peaking plant. They don't
6 want it there. They're preserving all that land
7 for future expansion of the substation and other
8 utility purposes.

9 So, we gravitated down to this site
10 because, as we started looking at other potential
11 locations, this is an industrial zoned parcel.
12 And given the way the transmission system runs,
13 this particular site is the most attractive of all
14 available potential sites that I could find in the
15 entire area that has the electric transmission
16 capacity; has the natural gas system capacity;
17 it's zoned industrial; it's adequately sized; and
18 was, by far, the best choice.

19 When PG&E had their competitive bidding
20 over the period of the last two years, there were
21 roughly 75 companies that bid to construct new
22 plants. They only selected seven projects to be
23 built throughout their service territory. This is
24 one of them, and they picked this one to
25 interconnect at Herndon because they need new

1 peaking generation here to serve your load center
2 and northern Fresno, Clovis and so forth.

3 And this is the spot where we can do it
4 most effectively. As Mr. Jenkins pointed out,
5 it's an environmentally sound project. It will be
6 environmentally friendly, the most efficient
7 equipment you can buy anywhere in the world. And
8 we think it's the best solution to the need for
9 this new generation.

10 UNIDENTIFIED AUDIENCE SPEAKER: So will
11 that language change in the environmental document
12 then? Will the language in the environmental
13 document that results out of this project change
14 in any way because our house (inaudible) be from
15 the facility it proposed?

16 You didn't really -- that wasn't the
17 gist of my question -- was the locations were
18 dropped, according to the documentation, because
19 they were too close to residential and commercial
20 properties.

21 MR. FREDERICKS: Well, I --

22 UNIDENTIFIED AUDIENCE SPEAKER: -- if
23 the gates are close to the proximity of our
24 residences as opposed to --

25 MR. FREDERICKS: It's probably fair to

1 say that our initial summary or description of
2 alternative sites was not as thorough as it could
3 have been. And we'll be making a more definitive
4 presentation to the Energy Commission. You'll be
5 able to see that on the website. But I think it
6 will be along the lines of what I just summarized
7 for you.

8 Now, in terms of residences, yes, we
9 know that there are residences on the west side of
10 highway 99 and on the east side of Golden State
11 Boulevard. But they are far enough away that we
12 don't think there's going to be any impact from
13 this project.

14 And I would also mention to you that --
15 and I'm sure it will come up later, in 2002 my
16 company applied for a conditional use permit from
17 the City of Fresno to construct a peaking plant at
18 this very location. And that was approved by the
19 City. So the site has already been reviewed and
20 approved by the City for a peaking plant. Even
21 though that was a smaller one and it didn't get
22 built. The same, it will be the same use as what
23 was analyzed earlier. And at that time all the
24 determination reviews were made that it's not
25 going to have a significant impact on any of the

1 residents in terms of visual, noise,
2 environmental, health and safety or the like.

3 Thank you.

4 UNIDENTIFIED AUDIENCE SPEAKER: Can I
5 ask another question? One of those is, you know,
6 states that everything is favorable (inaudible)
7 like this gentleman here, I just found out about
8 this; my neighbor came across the street to tell
9 me what was happening today.

10 And if you are able to build this,
11 you're talking about a 20-year contract. Some of
12 us actually think that it would be a good idea to
13 buy a home and stay in it and not have to move.
14 What are you going to do as far as any possible
15 environmental wastes and other problems like that
16 that may continue to exist on that site with
17 regards to cleanups and different things like
18 that?

19 In other words, I'd like to make sure
20 that once you build this, with the different
21 materials that will be used, that there won't be
22 any toxic wastes or other items left in our
23 backyards.

24 HEARING OFFICER SHEAN: You know, I
25 think, having heard several of these last

1 questions, it's probably appropriate to lead into
2 the staff, because there are a couple of things
3 that the staff can tell you that may begin to
4 address some of these, perhaps not to your
5 satisfaction, and that's one of the reasons we are
6 here is so that we can garner from the public a
7 notion of matters that are of particular interest
8 to you.

9 So that, for example, with respect to
10 your question, ma'am, about toxic substances, I
11 don't know whether there are any onsite, there is
12 usually site remediation review before anything
13 new is constructed. And the staff has criteria
14 with respect to what can be handled and stored
15 onsite, as well as used.

16 And I guess while we're doing this there
17 are some other things. With respect to the
18 question about the GE LMS100 unit, I'd just refer
19 you, not only you can look at the GE website, but
20 the GE LM series is a combustion turbine that the
21 Commission has reviewed in the past. The one they
22 are proposing to use now is a later generation of
23 this LM technology. And LM merely means it's
24 aero-derived from their jet aircraft engines as
25 opposed to their industrial turbines.

1 So that the Commission is familiar with
2 the LM series, and has reviewed it in the past.
3 And if you wanted more information with respect to
4 the LM series, the staff is capable of providing
5 that to you.

6 Let's see. Why don't we, just with
7 that, let's have the staff introduce itself and
8 give its presentation, which will go both to their
9 process, their documentation that they're going to
10 provide, which will also, I think reassure you
11 that the matters that you are raising now that you
12 bring to the staff you can, I think, rest assured
13 they're cognizant of them. The will address them.

14 If they don't address them to your
15 satisfaction, of course, you have, as the
16 Commissioner described, further opportunities to
17 come to the Commissioners and say, you know, we're
18 not happy yet. We want something done with this.
19 And that's the role of the Committee, and
20 ultimately the full Commission, to look at all the
21 facts and draw the best judgment that we can from
22 the information that we have.

23 So, with that we'll go to the Commission
24 Staff.

25 MS. DYAS: My name is Mary Dyas; I'm the

1 Siting Project Manager for the Energy Commission.

2 MR. RATLIFF: And I'm Dick Ratliff,
3 legal counsel for the staff.

4 MS. DYAS: And we have a number of other
5 members, and I don't know if we want to go through
6 them being introduced.

7 HEARING OFFICER SHEAN: Only if you're
8 going to use them. These people are having a
9 little hard time hearing you, so if you want to
10 move closer to that.

11 MS. DYAS: Okay. If you'll bear with me
12 for a minute, I'll get my presentation set up.

13 (Pause.)

14 MS. DYAS: We have a Energy Commission
15 consultant that just joined us up here at the
16 table. His name is Dr. Alvin Greenberg. He works
17 in the areas of -- actually quite a few areas --
18 of waste management, public health, worker safety,
19 so --

20 (Simultaneous multiple audience
21 speakers.)

22 MS. DYAS: It doesn't amplify. I'll try
23 and throw my voice then. What was that? It
24 doesn't amplify. It's just so he can record it.

25 I'll try and yell. Dr. Alvin Greenberg

1 just joined us up here. He works in the areas of
2 public health, worker safety and hazardous
3 materials handling or management. So some of the
4 questions that came up at the end of the
5 applicant's presentation Dr. Greenberg can address
6 as soon as I finish my presentation.

7 I don't know if we can see that with the
8 lights up. My presentation is going to -- I'm
9 going to go through the Energy Commission's siting
10 review process, and what staff does to review the
11 application that the applicant submitted to us.

12 The purpose of the Energy Commission's
13 siting process is to insure that a reliable supply
14 of electrical energy is maintained at a level
15 consistent with the need for such energy for the
16 protection of public health and safety, for the
17 promotion of general welfare and for the
18 environmental quality protection.

19 The Energy Commission has sole
20 permitting authority in California over thermal
21 power plants 50 megawatts or greater. This
22 authority also extends to related facilities such
23 as electric transmission lines, water supply
24 pipelines, natural gas pipelines, waste disposal
25 facilities, and access roads.

1 And the Energy Commission is the state
2 agency lead for the California Environmental
3 Quality Act, or as some people know it, it's
4 referred to as CEQA. And, as such, staff produces
5 a number of documents associated with the
6 environmental analysis of the proposed project.

7 In an overview of the licensing process
8 there are three steps to the Energy Commission's
9 process. The first step is the determination of
10 data adequacy. During this step staff reviews the
11 application to determine if it meets the minimum
12 requirements for our technical review. And at
13 this stage in staff's review we have already gone
14 through the data adequacy stage and we filed the
15 data adequacy. And that is available on the
16 website which I'll get to the url for the website
17 a little bit later in the presentation.

18 Once it's deemed adequate, in this case
19 it was deemed adequate on January 3rd of this
20 year, staff will then make a recommendation to the
21 Commission to accept the application through the
22 recommendation. And as I said, that was done at a
23 regular Energy Commission business meeting on
24 January 3rd, where staff presented the
25 recommendation that the application be found

1 adequate.

2 And that begins the second step, which
3 is staff's discovery and analysis of the
4 application. Also at the time that the
5 application is deemed adequate, that starts the
6 one-year clock, or the 12-month process.

7 During the discovery and analysis part
8 of the process staff develops data requests to
9 obtain further information in order to more fully
10 understand the project. The first round of staff
11 data requests for the Bullard project were issued
12 on January 30th to the applicant; and they have 30
13 days to issue their responses to us. So by March
14 1st we should have the applicant's responses. And
15 those will be posted on the website, as well.

16 There is also, during this stage, an
17 issues identification where staff will identify
18 any substantial issues that arise. And I have a
19 slide later in the presentation that will cover
20 the issues that staff has discovered.

21 Staff also holds a variety of workshops,
22 and as Commissioner Geesman mentioned, we will
23 probably be here several times holding staff
24 workshops. And that will also give you plenty of
25 opportunity to comment, or to submit comments and

1 participate in the process.

2 Two environmental documents are issued
3 by staff and those are the preliminary and final
4 staff assessments. And I have a schedule which I
5 will show you toward the end of the presentation
6 that will give you an approximate time of when
7 these documents will be issued.

8 And the third step, after the final
9 assessment is published, the Committee will begin
10 the evidentiary hearings that will include formal
11 testimony from the participants in the process.
12 The Committee will produce the Presiding Member's
13 Proposed Decision, or otherwise known as the PMPD,
14 which is the recommendation for the proposed
15 project.

16 And this document will go before the
17 full Commission for a final decision to be made on
18 the project.

19 During the discovery and analysis
20 process staff develops the preliminary staff
21 assessment and the final staff assessment. The
22 staff analysis is dependent upon inputs from the
23 public, the applicant, agencies and formal
24 intervenors.

25 The Public Adviser's role is to help

1 intervenors and the public provide input to
2 staff's analysis and participate in the overall
3 siting and permitting process for the project.
4 And Nick Bartsch, who I believe was introduced
5 earlier, that works with the Public -- Nick's back
6 here -- with the Public Adviser's Office, can --
7 will let you know how you can become a formal
8 intervenor or just to help you participate. So if
9 you have questions along that regards and want to
10 participate, you can talk to Nick after the
11 meeting is over.

12 Staff's discovery and analysis process
13 will examine the Bullard application for
14 certification to determine if the proposal will
15 comply with all laws, ordinances, regulations and
16 standards. Staff conducts the engineering and
17 environmental analysis of the project. This
18 includes identifying issues, evaluation of
19 alternatives to the project, identification of
20 measures that could mitigate or reduce any
21 potentially significant impacts to levels deemed
22 less than significant.

23 Staff also recommends the conditions of
24 certification that will govern the operation of
25 the power plant.

1 Also, staff will conduct, as was
2 mentioned, an alternatives analysis of the
3 project, which I know this is an extremely
4 important issue to you, the public. The
5 alternatives analysis provides an evaluation and
6 analysis of environmental impacts of a reasonable
7 range of alternatives including the no-project
8 alternative, in comparison with environmental
9 effects of the proposed project.

10 A significant component of our process
11 involves facilitating public and agency
12 participation. And I do have slides down the road
13 here that will give you more information on how to
14 participate, where to sign up for the email lists
15 and information on our website.

16 As described earlier the two products
17 generated by staff are the preliminary and final
18 staff assessments. Following publication of these
19 documents a workshop will be conducted here in
20 Fresno to discuss the staff's analysis. The
21 results of the discussion will be factored into
22 the development of the final document, which is
23 presented to the Committee.

24 After staff's analysis is complete,
25 recommendations will be made to the Committee.

1 The evidentiary hearing and decision
2 process takes place after the publication of the
3 final staff document. During this process the
4 public, intervenors, agencies and the applicant
5 have additional opportunity to participate in the
6 Committee and the Commission's decision. Staff is
7 no longer at the center of the process, but
8 continues to provide input to the Committee and to
9 the Commission's final decision.

10 After the final staff assessment is
11 released, the Committee will conduct a series of
12 evidentiary hearings and will accept testimony
13 from all parties formally involved in the siting
14 process, and accept public comment.

15 At the conclusion of that testimony the
16 Committee will issue the Presiding Member's
17 Proposed Decision, or PMPD. And the PMPD contains
18 findings relevant to the project's environmental,
19 public health and engineering impacts, the
20 project's compliance with LORS, recommended
21 conditions of certification and a recommendation
22 of whether or not to approve that project.

23 The PMPD is then used by the full five-
24 member Commission to decide whether or not to
25 grant the license to the proposed project. If the

1 project is approved and the license is granted,
2 the Energy Commission Staff will monitor
3 compliance with all conditions of certification
4 for the life of the project.

5 Staff's analysis and input to the
6 Committee's final decision requires that we seek
7 input from local agencies, or the agencies at the
8 local, state and federal levels. Our
9 participation with these entities assist us in
10 identifying issues, environmental impacts and
11 appropriate mitigation measures.

12 The Energy Commission's process includes
13 holding meetings and workshops, as mentioned
14 before. And making information concerning the
15 project available when it's requested. These
16 meetings will be noticed at least ten days prior
17 to the date that they are scheduled.

18 We maintain several mailing lists such
19 as property owners that are within 1000 feet of
20 the proposed site. We also maintain general
21 mailing lists that you can be added to if you
22 would like to receive information. And we have
23 sign-in sheets in the back that you can mark that
24 you want to be added to the mailing list; whether,
25 as mentioned before, to receive hard mail copies,

1 or if you put your email address, to get on the
2 list-server.

3 There are also copies of the project
4 application for certification available at a
5 number of libraries. And there are copies of this
6 presentation that have all of these libraries
7 listed where they've been sent to, as well as they
8 are available at the Commission's library in
9 Sacramento. And it's also available on the
10 website. Or you can contact the docket unit at
11 the Commission to check about the availability of
12 the document.

13 Some ways you can participate in the
14 process include submitting written comments;
15 providing oral comments at meetings such as this.
16 You can become a formal intervenor, and again Nick
17 Bartsch would be able to explain to you how to
18 become a formal intervenor in our process.

19 You can also provide written comments on
20 the PSA, or the preliminary and final staff
21 assessments.

22 UNIDENTIFIED AUDIENCE SPEAKER: I don't
23 want to interrupt, but could you explain the term
24 intervenor and what that is?

25 MS. DYAS: I don't know the exact

1 definition. An intervenor, I don't know, Garret,
2 would you be able to --

3 HEARING OFFICER SHEAN: I'll do that
4 after she's through.

5 UNIDENTIFIED AUDIENCE SPEAKER: Okay.

6 MS. DYAS: I know this is a timely
7 slide. This slide basically explains what's on
8 the Energy Commission website for the Bullard
9 project. And, as mentioned before, any of the
10 documents that we get, the AFC, any of the
11 documents that we produce are posted on this
12 website for the public to be able to view.

13 You can also contact me at any time if
14 you need a copy, can't get onto the website, or
15 you can contact Nick, as well.

16 This is a screen of the list-server
17 which was mentioned, and this just explains how to
18 get to the list-server site. And, as mentioned,
19 you can either mark on the sign-in sheet to be
20 added to the list server or you can just go to the
21 website, yourself, and subscribe to it, yourself.
22 You just mark the Bullard project. And anytime we
23 post something to the website, again, any of the
24 documents, whether applicant documents or our
25 documents, you would receive a notification that

1 these are now available. And then you could go to
2 the website and access that document.

3 As I previously mentioned, staff issues
4 an issues identification report. And the purpose
5 of the report is to inform the participants of
6 potential issues that staff has found. And
7 there's an early focus on important topics.

8 Criteria for -- to become an issue in
9 the issues report are if it's a significant
10 impacts that may be developed -- that may be
11 difficult to mitigate. If it's noncompliant with
12 LORS, which is laws, ordinances, regulations and
13 standards. Or if conflicts between parties about
14 appropriate findings or conditions of
15 certification for a Commission decision could
16 delay the schedule.

17 And in the back I believe I left copies
18 of the issues report that we just filed last
19 Friday. The one issue that staff has, and
20 actually it just came to staff's attention last
21 Friday, in the application -- and it's regarding
22 the land, the topic of land use.

23 The application for certification states
24 that the Bullard Energy Center project is proposed
25 to be located in an M1, or light industrial zoned

1 district. The project owner intends to submit a
2 director classification conditional use permit
3 application under section 12408 of the City of
4 Fresno 2025 general plan.

5 A letter was received from the City of
6 Fresno stating that they have reviewed the
7 application and the materials provided, and they
8 had determined that the project would not be
9 consistent with the M1 zone per the Fresno zoning
10 ordinance and the policies of the general plan.
11 The project was not in an approved use either by
12 right or by conditional use permit, including
13 under the section 12408 director classification.
14 And if the project were to submit a director
15 classification CUP, or conditional use permit,
16 application, the project would not be approved.

17 And lastly, if the City does not find
18 that the project is consistent with the general
19 plan and zoning ordinances, the site will not be
20 approved unless the City amends the ordinances,
21 plans and standards, or the Energy Commission
22 makes an overriding finding for public necessity.

23 And, again, there are copies of that
24 report on the back table.

25 This is a proposed schedule for the

1 project. And it's noted at the bottom that all of
2 these dates are tentative because things tend to
3 shift due to issues that come up or unknown
4 factors.

5 And meeting the deadlines that are
6 stated here depend on timely responses to staff's
7 data requests, which again were filed on January
8 30th; inputs from the regional air district and
9 their final determination of compliance -- or
10 filing of their determination of compliance;
11 timely inputs and determinations from other
12 agencies are also important in completing the
13 preliminary and final assessments, as well as
14 other unknown factors.

15 And the last slide has the contact
16 information. So, as I said, at any time if you
17 have questions, whether or not I can answer, I
18 will help find an answer. You can contact Nick in
19 the Public Adviser's Office, as well as the
20 applicant.

21 So that is my presentation, and we're
22 open for questions.

23 HEARING OFFICER SHEAN: Let me address
24 the question that was asked about intervening.
25 The purpose of our coming here today was

1 essentially to present to you, as members of the
2 public, and you are both property owners that
3 adjoin the facility or near it, or people who have
4 otherwise heard about it and have an interest in
5 it, and to inform you of the nature of the
6 project, get your comments, and then, as the
7 Commissioner has indicated, begin this almost 12-
8 month or longer process to review the project.

9 Now, when the Energy Commission was
10 created about 30 years ago there was a unique
11 feature that was included in the enabling
12 legislation which emphasizes public input and
13 participation. Even though the process was
14 described up there as evidentiary hearings, it is
15 somewhat legal in its format, and that's why I'm a
16 lawyer. And as the Commissioner indicated, among
17 my responsibilities are assuring that we have an
18 appropriate and full record to establish the basis
19 for the Commission to make a decision.

20 You are part of the machinery that will
21 assure that that record has every point of view
22 that the Commission should hear before making a
23 decision. And you can do that in a number of
24 ways; and being an intervenor is one of them.

25 As I initially described to you, you can

1 monitor what is going on through the Commission's
2 website by signing up on the list-server. Or if
3 you've given us your postal or email address,
4 we'll give you routine notification of everything
5 that's happening in the proceeding as it unfolds,
6 and of the documents that are available that you
7 may wish to read.

8 Let me just compartmentalize this
9 process a little bit. For the next several months
10 the Energy Commission Staff is going to be posing
11 written questions, and they've already done a
12 first set of these questions to the applicant, on
13 various technical areas. And there are about a
14 dozen and a half of those.

15 The applicant will respond; I expect the
16 staff will generate a second set of questions and
17 there will be a second set of responses by the
18 applicant.

19 In that process the Commission Staff
20 will be, near the end of that, down here in Fresno
21 to conduct public workshops so that you can see,
22 we have a transparent process that will allow you
23 to see how its analysis is evolving. And where
24 it's going.

25 You will get the first document that you

1 can review to understand where the staff is going,
2 and that's the preliminary staff assessment. The
3 second document, after they've heard comments,
4 will be the final staff assessment, which is
5 essentially their most refined and final position
6 with respect to the project.

7 At that point, which they're showing
8 sometime in August of 2007, and that's probably
9 about correct, then this will shift process-wise
10 to the Committee.

11 If there are disagreements between the
12 staff and the applicant, that is the staff's
13 document, the final staff assessment, and what the
14 applicant believes, then we would expect that
15 there's going to be a contested set of hearings.

16 But you, then, are essentially the third
17 potential party that would form a triangle if you
18 determine that there is an interest of yours that
19 is not served by either what the staff has
20 analyzed and concluded, or what the applicant has
21 analyzed and concluded.

22 At that point we're going to invite
23 either you individually, or if you choose to, you
24 may form a homeowners group, an environmental
25 interest group or whatever format you want to use,

1 to influence the Commission. And you may
2 intervene at that point, and then present whatever
3 information you think is relevant to the
4 Commission's decision with respect to this
5 project.

6 So, you have -- I think that fairly
7 describes to you what our process is. You don't
8 have to move immediately, that's no reason for
9 panic. I think what you can do is know that this
10 is a relatively long and highly deliberated and
11 very transparent process.

12 You will be able to get a lot of
13 information. You may end up choking on the amount
14 of information that you'll get, because it will
15 include a lot of stuff that you don't care about.
16 But, if it does include some stuff that you care
17 about, then our job is being done well. And mine,
18 in particular. And Nick Bartsch.

19 So, I would just say, you don't --
20 consider that intervention out in time will be
21 your opportunity to come to the Committee and
22 present your position if you don't think it's
23 being satisfactorily addressed by the staff or by
24 the applicant.

25 And I guess the other thing I should

1 indicate to you -- yes, sir?

2 UNIDENTIFIED AUDIENCE SPEAKER: It's my
3 understanding that in the area there are so many
4 house around. All the stuff (inaudible) is nice,
5 I understand all these doing their job. But my
6 question is why so close to these house and not
7 far away. Because it's much better for them to
8 build in. But us, our house, will be lower in
9 price (inaudible), you know.

10 HEARING OFFICER SHEAN: All right.
11 Well, I think, let me say the gentleman's question
12 a little bit earlier began to address that. So
13 let me just say this:

14 Under the law our decision is required
15 to contain certain analyses. It's just absolutely
16 required. So if you want to think of these as
17 pigeonholes, they have to be filled with good
18 information, the best we can get. And one of
19 those would be whether or not the site that was
20 selected by the applicant is the best site
21 considering alternatives that they have
22 considered.

23 And that information is going to be
24 provided to them. I have a copy of the questions
25 that the staff has asked the applicant about the

1 alternatives analysis that they conducted. Now
2 you've heard it described briefly. And that
3 information will be expanded upon.

4 I think it's fair to say, given issues
5 related to the proximity to housing, that the
6 Committee is going to direct the staff to expand
7 the universe of its alternatives review to make
8 sure that there are not other suitable sites.

9 And all I can suggest to you is this
10 will be a matrix exercise that includes on-
11 balance, considering all the things that you could
12 consider to try to make the best decision
13 possible, which would include things such as the
14 availability of transmission, the availability of
15 natural gas, interference with public health and
16 safety impacts with regard to residences which are
17 nearby.

18 All of this is going to be covered. And
19 ultimately, as I've indicated with respect to the
20 idea of your intervening, you decide whether or
21 not the way the staff has worked up its analysis
22 is sufficient for you. And if it's not, then you
23 and your neighbors, either individually or
24 collectively, can come to us and say, we're still
25 not satisfied; we think this is still too close to

1 us; we look at how it's been analyzed with respect
2 to other residential areas and we think that the
3 decision and the result should be different from
4 what the staff or the applicant has suggested.

5 So that's going to be your opportunity.

6 UNIDENTIFIED AUDIENCE SPEAKER: Okay,
7 thank you.

8 HEARING OFFICER SHEAN: Now, let me,
9 because I also want to say one other thing. I'll
10 get to you in a second. With respect to some of
11 the questions that have been raised, we had the
12 one about the LM series. We also had a question
13 with respect to what chemicals are going to be
14 used in the cooling towers and things like that.

15 You should know that these are not new
16 questions for us. There are decades of experience
17 up here with respect to the review and
18 conditioning of power plants that we're going to
19 approve.

20 For example, with respect to the kind of
21 chemicals that are used in cooling towers, they
22 are reviewed for not only their public health
23 impacts to people, but their impacts to
24 potentially agricultural crops or anything that is
25 growing on the ground.

1 And in addition to that we do a further
2 review with respect to the potential for the water
3 that's being used in the cooling tower, to have
4 Legionnaire's bacteria in it that might also
5 affect public health.

6 So, if you wanted to go back and look at
7 some of the Commission's previous decisions you
8 would see that whether or not you're talking about
9 the LM series or what type of turbine, the kind of
10 public health issues that surround a cooling
11 tower, or the nature of the alternatives that are
12 reviewed by the Commission, I think you would
13 begin to see that these are these pigeonholes that
14 have to be filled. And that we are going to get
15 the best possible information from the applicant,
16 the staff and from the affected public before we
17 make a decision as to whether or not the project
18 should go forward. And if it does, what sort of
19 condition should attach to it.

20 Yes, sir.

21 UNIDENTIFIED AUDIENCE SPEAKER: I just
22 want to know, everyone sitting at that table, how
23 many people would build a house next to -- a half-
24 million-dollar house next to a power plant. How
25 many of you? I want to know who's going to buy my

1 house when you build it.

2 HEARING OFFICER SHEAN: Yes, ma'am. I
3 don't think any of us --

4 UNIDENTIFIED AUDIENCE SPEAKER: --
5 similarly related know all the environmental
6 documents and analyses are great, but they don't
7 cover what the economic affect is going to be on
8 our residences. And there will be --

9 (Parties speaking simultaneously.)

10 UNIDENTIFIED AUDIENCE SPEAKER: Now, is
11 there some sort of study that shows that when a
12 power plant is built a quarter of a mile from your
13 house what was the -- value on those homes from
14 the time it was built to the time it gets built
15 and the time it was --

16 HEARING OFFICER SHEAN: Yeah, and the
17 reality is we do do that. Because this --

18 UNIDENTIFIED AUDIENCE SPEAKER: Well,
19 there wasn't any documents online.

20 HEARING OFFICER SHEAN: Pardon me?

21 UNIDENTIFIED AUDIENCE SPEAKER: I didn't
22 see any documents online.

23 HEARING OFFICER SHEAN: All right.
24 Well, ordinarily within the socioeconomic sections
25 of the staff's analysis and the Commission

1 decision, if it has been raised as an issue in
2 terms of the impact upon property values, it is
3 one that has been addressed. And --

4 UNIDENTIFIED AUDIENCE SPEAKER: Well,
5 how do we raise it as an issue? I was --

6 HEARING OFFICER SHEAN: Well, you've
7 already indicated it's an issue. The staff is
8 aware of it now and they'll address it.

9 UNIDENTIFIED AUDIENCE SPEAKER: How can
10 you not be aware of it? You're telling me you
11 come down and see all these beautiful homes built
12 on that side of Herndon and on this side of
13 Herndon, and you guys look at (inaudible) power
14 lines or this or that. I mean, you can't tell me
15 you cannot see it just by --

16 HEARING OFFICER SHEAN: Well, and that's
17 the reason we're here. I mean the reason we come
18 down to see your location is the exact thing
19 you've described. So we've seen the residential
20 development on the east side of Golden State;
21 we've seen the surrounding area. And it clearly
22 makes us aware that impacts to existing
23 residential development and potential residential
24 development is something we should take into
25 consideration.

1 Yes, ma'am.

2 UNIDENTIFIED AUDIENCE SPEAKER: I have a
3 question and I might have missed it. We were
4 discussing the issues report. When was that made
5 available to the public?

6 HEARING OFFICER SHEAN: First of all, I
7 believe it's on the back table. It's also on --
8 and that would be very preliminary as to the
9 staff. It's not something we have done. It's the
10 issues report that staff described here in her
11 remarks. It's available on the back table, and
12 it's also on the Commission's website.

13 UNIDENTIFIED AUDIENCE SPEAKER: And how
14 often to date are they issued?

15 HEARING OFFICER SHEAN: Let me say past
16 experience, that will occur once. But then it's
17 going to be essentially picked up and moved
18 forward by the analysis that you'll see in the
19 preliminary staff assessment.

20 And so if there are issues you want the
21 staff to address that don't appear in that initial
22 issues report, you should communicate those to the
23 staff.

24 UNIDENTIFIED AUDIENCE SPEAKER: Tonight
25 or --

1 HEARING OFFICER SHEAN: Tonight or in
2 the future. I mean that's why we give you this
3 contact information. So, we're not available
4 24/7, but every business day somebody's going to
5 be available to take a message from you.

6 Yes, ma'am.

7 UNIDENTIFIED AUDIENCE SPEAKER: I would
8 like to know, your -- regarding this intervenor
9 process is if there's a conflict between this
10 party and this party. What if there is no
11 conflict? Will we be brought in as intervenors?
12 Or are we just left to our own resources to call
13 people or how does that work?

14 HEARING OFFICER SHEAN: Well, that's why
15 I tried to give this triangle type analogy to it.
16 If they agree and you disagree, you have
17 independent access to the Commission to tell the
18 Commission, we don't agree with what they may
19 agree upon, and we want to present you an
20 independent opinion.

21 UNIDENTIFIED AUDIENCE SPEAKER: I'm just
22 going to make the observation that you have to
23 know that no one here is ever going to agree to
24 this.

25 HEARING OFFICER SHEAN: That's fine.

1 That's fine. This is not a new experience for us
2 as Commissioners or as a Committee. And we just
3 want you to know of the opportunities you have
4 available. Whether or not there's anything you
5 can agree to, or there's nothing you can agree to.

6 Yes, sir.

7 UNIDENTIFIED AUDIENCE SPEAKER: First of
8 all, I hope after the parties talk to each other,
9 people living around will be notified before the
10 decision is made, because the way we been handle
11 this, you know, it's very poorly. I think also
12 the people that live around, they don't know
13 anything about this meeting right now. Okay?

14 So I hope you will have some way,
15 actually some way to notify us before you make a
16 decision so we can intervene.

17 And then another question I had when the
18 gentleman was talking about the substations
19 operating, Kearny or some names he mentioned.
20 Okay. So, and he mentioned there are some lands
21 there, but they are in the future they want to
22 make a residential area, so they did not agree to
23 build that power plant over there. But you
24 completely ignore us because this is a residential
25 area already. People live here. So how come you

1 bring such a station and building here, actually
2 site the building here, but there is already, you
3 know, people living around here. How can you do
4 such a thing?

5 And another issue. You guys are, you
6 know, there's companies trying to, you know,
7 basically will spend millions of dollars to build
8 a power plant. Okay, \$2 million in City taxes.
9 And the state currently is managing to import
10 power from two states. They can build such a
11 station about 20 or 30 miles away from the public
12 and import it, you know, put -- notice some lines
13 that bring the power to the station or whatever.
14 So they can do that way. Why is it here? You
15 know, so those are just my concerns and my --

16 HEARING OFFICER SHEAN: All right.
17 Well, first of all, with regard to notification.
18 If we have your name and you have either your
19 postal address or your email address, you will get
20 information with respect to everything that will
21 occur in the case.

22 And let me just say with respect to "you
23 guys," we aren't really "you guys" all the same.
24 These are the people who are proposing the
25 project. They made the decision to select this

1 particular site.

2 Those people over there are the
3 independent staff technical experts who have been
4 paid through your taxes to give an independent
5 evaluation of the project.

6 This group up here are the Commissioners
7 who have been appointed by the Governor to act
8 essentially as decisionmakers.

9 And not until this whole process has
10 occurred, they present what they present, the
11 staff presents what it presents, and you give us
12 your views, will the Commissioners make a
13 decision.

14 Yes, ma'am.

15 UNIDENTIFIED AUDIENCE SPEAKER: Well,
16 then how am I going to afford to live in my house
17 after this?

18 HEARING OFFICER SHEAN: Pardon me?

19 UNIDENTIFIED AUDIENCE SPEAKER: How am I
20 going to afford to live in my own home when you do
21 all this?

22 HEARING OFFICER SHEAN: Okay. Do you
23 mean -- I'm trying to understand the nature of
24 your question. You --

25 UNIDENTIFIED AUDIENCE SPEAKER: Isn't

1 everything (inaudible)?

2 HEARING OFFICER SHEAN: Pardon me?

3 UNIDENTIFIED AUDIENCE SPEAKER: Didn't
4 you say earlier that everything was going to go up
5 in public price and all that? Didn't you say I
6 was supposed to ask them?

7 HEARING OFFICER SHEAN: I'm not certain
8 that I did. And I'm just not understanding your
9 question.

10 PRESIDING MEMBER GEESMAN: I think she's
11 concerned about the impact on property values.

12 HEARING OFFICER SHEAN: Okay. Well, if
13 that's the case, then that's one of the things
14 that will be evaluated by the staff. And you'll
15 have an opportunity to see what they conclude.

16 And, again, the idea is if you have a
17 different view that's why this group is here.

18 Yes, sir.

19 UNIDENTIFIED AUDIENCE SPEAKER: Just for
20 informational purposes, has Bullard Energy counsel
21 or the CEC had a similar project that's been in
22 close proximity to a residential area where we can
23 kind of study to kind of address some of these
24 concerns?

25 PRESIDING MEMBER GEESMAN: I can speak

1 from the personal experience that I've had in
2 siting cases where we've permitted projects that
3 have been built in the middle of Burbank, in the
4 middle of Santa Clara, in the middle of Escondido.
5 Those are each urban projects that have been on
6 cases that I've been involved with. There may
7 very well be others that the Commission has
8 licensed and that have been built.

9 Commissioner Byron is too new to the
10 Commission to have gone through the full process
11 thus far. I do know that there are other projects
12 that we have permitted that are currently starting
13 construction. One in San Francisco, for example.

14 There's a larger project in San Jose,
15 the Metcalf Energy Center, that is within the city
16 limits of San Jose. Some people might consider
17 that to be a more suburban location than what's
18 proposed here.

19 So the answer to your question is yes.
20 And you might want to look at the impact on
21 property values in those communities, and what
22 level of public acceptance the projects have been
23 met with.

24 UNIDENTIFIED AUDIENCE SPEAKER: Has
25 Bullard (inaudible) --

1 MR. CHANDLER: Well, Bullard has this
2 specific plant, but --

3 UNIDENTIFIED AUDIENCE SPEAKER: Oh,
4 okay. Okay.

5 MR. CHANDLER: -- but as a group of
6 developers we have experience in siting projects.
7 For example, I was involved in the Crockett
8 project on the Sacramento River. That was
9 licensed by the CEC in 1993. And that's right in
10 the City of Crockett down on the Sacramento River.

11 Most recently I permitted a 1000
12 megawatt project in Redlands, California. There
13 were residential areas nearby. Like this plant,
14 it was sited and built in an industrial area, but
15 surrounded by residential areas.

16 MR. THOMPSON: And I've done something
17 close to 15 of these projects in the last couple
18 years. We put one right in -- there's one in El
19 Centro that's pretty current. One went into the
20 City of Riverside. In the City of Pittsburg up in
21 northern California. These are all the same kind
22 of thing, an industrial area that's surrounded by
23 homes.

24 UNIDENTIFIED AUDIENCE SPEAKER: Now when
25 you say surrounded by homes, what about the

1 school? My kids --

2 (Audience parties speaking
3 simultaneously.)

4 UNIDENTIFIED AUDIENCE SPEAKER: -- got
5 kids in kindergarten to eighth grade that are here
6 during the peak time when this is going to be
7 running. And then coming back home and living
8 right next to it. So they're here 24 hours a day.
9 What's that going to -- on children? Anybody have
10 a study on that?

11 HEARING OFFICER SHEAN: Yes, there are
12 some. And, in fact, the California EPA has had
13 some recent studies with respect to the effect of
14 air pollution upon sensitive populations, which
15 include children, and essentially the elderly.

16 And absolutely this will be taken into
17 consideration and thoroughly analyzed. And the
18 idea is you're going to get to read that analysis.
19 And it will either satisfy you that the matter has
20 been addressed, or it will tell you that there is
21 a problem which cannot be fixed by mitigation. Or
22 it will leave you unsatisfied and the idea is you
23 come back to us with whatever it is that is your
24 conclusion with respect --

25 UNIDENTIFIED AUDIENCE SPEAKER: All the

1 extra power that's coming into lines that are
2 already here; I don't think it should be next to a
3 school to begin with. There's just going to be
4 that extra power going through these lines,
5 humming.

6 HEARING OFFICER SHEAN: Okay,
7 understood. You've been very patient; go ahead.

8 UNIDENTIFIED AUDIENCE SPEAKER: There is
9 something, it's more related to the proceeding in
10 general. I was very upset at how the notification
11 for this meeting was handled. I don't really
12 think that due diligence was met by the
13 Commission.

14 I received the initial notice regarding
15 this plant, but then for this public meeting today
16 I never received a notice. I did get one through
17 my son's school today, but only because I went to
18 the school. Otherwise I wouldn't have got it till
19 I came home from work at 6:00 tonight. And I
20 asked other neighbors in my neighborhood, and they
21 also didn't get any notices in the mail.

22 And when I called the Commission they
23 said they were mailed from Sacramento on Thursday
24 or Friday. But then your presentation said they
25 need to go out ten days in advance.

1 So are we going to have a better effort
2 in all the future meetings, especially for
3 residents and property owners who live, you know,
4 a quarter of a mile away from the project?

5 UNIDENTIFIED AUDIENCE SPEAKER: And then
6 I'd also like to add to that that 5:00 is not a
7 really good time to have a meeting for people
8 trying to get off work and get to somewhere with
9 the traffic issues.

10 PRESIDING MEMBER GEESMAN: I think both
11 of those are good points. And when the Committee
12 comes back for public hearings in the future,
13 we'll both schedule it at a later time to make it
14 easier to get here. And we'll take a look into
15 any noticing problems that may have been
16 associated with this meeting.

17 UNIDENTIFIED AUDIENCE SPEAKER: Well, I
18 called and verified through the Commission Office
19 before I brought it up, because of the nature of
20 the -- so it wasn't something just strange with me
21 or our neighborhood. And she said they were
22 mailed --

23 PRESIDING MEMBER GEESMAN: We'll look
24 into that.

25 HEARING OFFICER SHEAN: Yes, sir.

1 UNIDENTIFIED AUDIENCE SPEAKER: Another
2 thing I wanted to bring up, when you guys are
3 talking about this -- this will operate only peak
4 hours. That won't be the case because, as you
5 said, it will be operating 3000 to 5000 hours of
6 the year, correct? Which will be about 208 days,
7 24 hours a day. So it won't be a peak, tomorrow
8 maybe it will jump up to 6000 or 7000 and close on
9 Christmas and New Year. You know, that's
10 something that you guys need to bring up more
11 clearly. It's not going to be just peak hours; it
12 will work almost 24 hours -- not 24 hours, but it
13 will work 20 hours a day. So people should know
14 about it.

15 HEARING OFFICER SHEAN: All right. We
16 have several blue cards here and I just want to
17 make sure everyone who has submitted one has an
18 opportunity to speak.

19 So, we have Aubrey Morlet.

20 MS. MORLET: Yes, I already asked all my
21 questions.

22 HEARING OFFICER SHEAN: Okay. Is it
23 Masis -- is that you? All right.

24 Dennis Wellington?

25 UNIDENTIFIED AUDIENCE SPEAKER: He had

1 to leave.

2 HEARING OFFICER SHEAN: All right.

3 Mukasa Kezala.

4 MR. KEZALA: Yes.

5 HEARING OFFICER SHEAN: Do you want to
6 say something, sir?

7 MR. KEZALA: Yes.

8 THE REPORTER: You need to come up to
9 the microphone, please.

10 MR. KEZALA: Use this mike?

11 HEARING OFFICER SHEAN: That will be
12 fine, yes.

13 MR. KEZALA: Thanks for the opportunity
14 to speak to the Commission. This is my second
15 time in front of you, and I'm glad to see there's
16 a big turnout here. I was outnumbered; I was the
17 only one alone in Mendota.

18 But anyway, I don't live in the
19 neighborhood here so I cannot -- I don't know, I
20 can't feel your pain. But however, I'm glad to
21 see more power coming to the Fresno area for the
22 simple reason that they have been talking about
23 nuclear power here. So if we can get more
24 conventional electricity here, then that will cure
25 the idea of any talk of nuclear power here,

1 because it's unnecessary. And it leads to
2 anxiety. Not that real happy, but I'm just
3 (inaudible). So that's one.

4 I get in siting, I'm going to repeat the
5 same thing I said in Mendota. These facilities
6 should be sited at industrial, at existing
7 industrial facilities. That way the waste heat
8 can be recovered and put to good use.

9 This project here is going to have like
10 what, a 40-foot stack. The exhaust from those
11 stacks is going to be what, 800 degrees or so?
12 All that is wasted gas. Guess who's paying for
13 it. You and I. We -- just passes that cost on to
14 you.

15 But if they put these plants at an
16 existing facility, food processing or animal
17 rendering or agricultural -- this way they could
18 use the steam or dry heat. That would make more
19 sense. Instead of throwing away that much heat.

20 So really they should go talk with a
21 winery or some of the facilities that can use the
22 heat. Don't put it here. I'll put it, I'll
23 support you, made by the -- let's go look at
24 alternative sites where the plant will be
25 consistent with California energy plants. My

1 people be paid for 800 degrees Fahrenheit wasted
2 heat through a 40-foot stack, two of them.

3 And this could reduce -- split them, put
4 one into one facility and another different
5 facility. So instead of just having two of them
6 wasting heat unnecessarily, describe it. That's
7 one point.

8 In this brochure, if I were never here
9 I'll be upset by the comment that how can this
10 plant result in zero emissions? That's
11 misleading. What they are try to -- the only way
12 I can believe that somebody stuck his head through
13 the stack and came out alive, not dead.

14 What values of the reduced emissions
15 somewhere like in Coalinga or Bakersfield. And in
16 exchange for that they are going to build the
17 plant here. But locally there's going to be
18 pollution. How many tons of it? Tons of
19 pollution locally here; that is going to affect
20 you sometimes.

21 So this statement here is misleading and
22 not true. There's going to be pollution here.
23 The emission reductions were done somewhere miles
24 away. So don't think that this is zero pollution.
25 That's not truthful.

1 The other -- who want to review the
2 documents, they are at the public library
3 (inaudible). You can copy that here at home. But
4 as much as I review and copied -- draw inside that
5 maps, and all that. So, just for your
6 information.

7 Also I didn't get a chance to review the
8 documents in detail, but I was wondering back when
9 I did this, you're going to be using ammonia? You
10 did some kind of a hazard analysis, since this one
11 is very near homes? When it's being delivered, or
12 in kind of upset conditions with ammonia. So
13 maybe you did, but I didn't see -- I didn't get a
14 chance to look at it.

15 That's about -- let me make a point
16 again on that waste heat. Here in Fresno we live
17 in the most polluted area in California, just same
18 as L.A. There is talk about emissions reductions
19 and California pollution. And yet, we are missing
20 opportunities like this to reduce pollution.

21 If this plant was put on an existing
22 industrial site where they could use that heat for
23 a good use, that means that facility shut down
24 like a boiler, or dry, that means you have to put
25 good -- waste heat to good use and reduce the

1 emissions elsewhere.

2 I know you're buying your offsets to
3 offset these emissions, but those emission
4 reduction credits could be retired. So really
5 this is an opportunity being missed to reduce
6 pollution in Fresno. And that somehow it bothers
7 me. Even in the winter -- fireplaces, but that
8 particulate emission.

9 So, Energy Commission needs to talk to
10 the Air Pollution Control District to give them a
11 heads up, hey, we have this coming. Do you have
12 any sites where we can put it.

13 The other thing which kind of bugs me a
14 little bit is we have the same companies getting
15 all these 20-year contracts. Twenty years from
16 now I'll be in a wheelchair somewhere in a home,
17 and these companies have the monopoly on
18 electricity, all we saw in the Enron mess. And
19 then all of a sudden -- so, I'm hoping that the
20 Energy Commission is kind of looking in the future
21 that we're not putting all this power in the hands
22 of just a few investors. And then when their
23 contracts are up, they figure out a way to kind of
24 tighten the screws on us. So we need to be on the
25 lookout for that, that we don't have a repeat of

1 Enron.

2 Thank you very much.

3 HEARING OFFICER SHEAN: Thank you.

4 (Applause.)

5 HEARING OFFICER SHEAN: Kelly Hobbs.

6 MR. HOBBS: I just wanted to know has
7 the Commission denied any plants. We talked about
8 the plants that have been approved, but have there
9 been any that have been denied recently?

10 And is there somewhere that we can go to
11 see where and why these plants were denied, or
12 projects were denied?

13 HEARING OFFICER SHEAN: The Commission
14 does maintain a list of, essentially it's all
15 those that have been considered, and then all of
16 those that have been granted. And they don't
17 match up one-for-one. There are projects that
18 have, through the analysis that is either being
19 performed, have backed out. There are a couple
20 outright denials. I don't believe any of them
21 have been current.

22 But I think the only other thing I can
23 tell you is with respect to any facility that's
24 been approved, I'm quite sure if you talk to the
25 principals that proposed it, they will tell you

1 that the Energy Commission has made improvements
2 to the project at some level to assure that there
3 are no environmental or community impacts that are
4 significant.

5 MR. HOBBS: And I was also told early on
6 in the process that an environmental impact --
7 EIR, because of the CEQA document, was not going
8 to be prepared?

9 PRESIDING MEMBER GEESMAN: Our process
10 has been certified by the California Resources
11 Agency as the equivalent of an EIR process. So,
12 legally it's characterized as a CEQA-equivalent
13 process.

14 MR. HOBBS: Okay. And will the -- there
15 was talk of the zoning issues that are a potential
16 problem. Has the city council been involved, or
17 has the planning commission? To what extent have
18 they been involved in getting to this point?

19 HEARING OFFICER SHEAN: Why don't you
20 describe the communication you've had to date.

21 MS. DYAS: Like I said, this issue just
22 came to light last Friday right before we issued
23 the report. And so we added it into the report.

24 HEARING OFFICER SHEAN: A little louder.

25 MS. DYAS: I'm sorry. And to date our

1 land use staff has communicated with the City more
2 on the issue. But at that point -- nothing's even
3 been suggested as far as any type of resolution or
4 anything. They're just in the initiations and
5 talks right now.

6 MR. RATLIFF: But the discussions have
7 been with the staff.

8 MR. HOBBS: All right. Thank you.

9 HEARING OFFICER SHEAN: Ms. Wittinhill.

10 MS. WITTINHILL: I have a couple of
11 questions. One was probably because I don't
12 understand bankruptcy laws. Why can't PG&E use --
13 why do they refuse to lease their land again? The
14 land that they do hold. Because of -- you said
15 because of bankruptcy, because of the bankruptcy
16 proceedings that they've been in? Did I
17 misunderstand something?

18 MR. THOMPSON: I think it was a policy
19 decision that was made by PG&E at that time.

20 MS. WITTINHILL: It's just a policy
21 decision?

22 MR. THOMPSON: Yes.

23 MS. WITTINHILL: Okay, so they are able
24 to lease land that they --

25 MR. THOMPSON: Legally they're able to

1 lease land.

2 MS. WITTINHILL: Okay.

3 MR. THOMPSON: I believe that's true.

4 MS. WITTINHILL: Okay. My other just
5 statement is I'm a teacher, and before we go to
6 P.E. every day, we've got to check the air
7 quality. And for over a month, you know, I could
8 count the number of days that, you know, that
9 we've been able to go outside for P.E. on one
10 hand. Because most days it's unhealthy for
11 sensitive groups or unhealthy air unless we have a
12 storm that comes in and blows out the pollution.

13 And in your brochure it tells us that it
14 will only increase emissions by 4 percent.
15 Well, --

16 HEARING OFFICER SHEAN: Their brochure?

17 MS. WITTINHILL: Their brochure, sorry.
18 Their brochure, not your brochure.

19 HEARING OFFICER SHEAN: Right.

20 MS. WITTINHILL: Which has me concerned,
21 you know. If we already have -- most of our days
22 are already unhealthy for sensitive groups, what
23 will 4 percent do to the air quality in our
24 neighborhood and for the children that are already
25 impacted by it? I'm very concerned about this

1 plant. I'm very concerned about its proximity;
2 I'm concerned about the emissions that are placed
3 in the Valley.

4 We are probably, you know, the Central
5 Valley is probably one of the worst places in the
6 world to create more emissions into our air. In
7 addition to any, you know, we still don't know
8 enough about any of the materials that you'll be
9 using in the plants. So, in addition to -- and
10 the transportation of those materials, you know,
11 and how toxic they could possibly be. And their
12 proximity to residences and to schools.

13 So, thank you.

14 HEARING OFFICER SHEAN: Thank you.

15 MR. RATLIFF: Mr. Shean, maybe it would
16 be a good idea to let Dr. Goldberg address --

17 DR. GREENBERG: Greenberg.

18 MR. RATLIFF: -- Greenberg, I'm sorry.

19 HEARING OFFICER SHEAN: Yeah. We're
20 going to have one of the members of the Commission
21 Staff at least briefly address this, because it is
22 something that is routinely addressed in all the
23 Commission's decisions. And you ought to at least
24 hear briefly, perhaps preliminarily, views with
25 respect to that on this case.

1 DR. GREENBERG: Thank you. Perhaps very
2 briefly and very preliminarily. I'm Alvin
3 Greenberg. I am a toxicologist and hazardous
4 materials specialist. I've been working with the
5 Energy Commission since 1993. I've been involved
6 in siting and existing power plants in reviewing
7 and evaluating environmental consequences and
8 impacts; over 50 power plants in that time span.

9 I have been asked by Mary to address
10 some of the concerns. And please understand that
11 I want to emphasize what Mary has said, that we
12 conduct an independent evaluation. We take the
13 information that the applicant has given us, and
14 we look at it. But we don't accept that as being
15 final. We conduct our own analysis. And they may
16 agree or disagree with us, but at least this is an
17 independent analysis.

18 Please also keep in mind what
19 Commissioner Geesman said, that this is the first
20 inning of a nine-inning ballgame. And so we're
21 just getting started on this.

22 But there have been some concerns
23 expressed about the impacts in the neighborhood,
24 and certainly on children living in the
25 neighborhood and going to the school.

1 We are very aware of the sensitivity of
2 children to pollutants. I'm very much aware that
3 the Fresno area has very high air pollution, often
4 exceeding that of Los Angeles. And I know that
5 the asthma rates in children are very high in the
6 Fresno area.

7 When we evaluate the emissions from a
8 natural gas fired power plant, we do look at what
9 is coming out, what the emissions are. And even
10 though this is the cleanest burning fossil fuel
11 that we know of in the United States, there still
12 are minute amounts of contaminants that come out.

13 An individual talked about offsets.
14 Staff looks for local offsets first. And we will
15 be making recommendations that any offsets be in
16 the local area, not somewhere else within the San
17 Joaquin Valley. So that's one important thing
18 that we will look at.

19 Second of all, we will look at the
20 impact on the most sensitive receptors, children,
21 the elderly, those with preexisting conditions
22 such as asthma. And we would not make any
23 recommendation that a power plant be approved by
24 the Commissioners if there were a significant
25 impact to children or other sensitive receptors.

1 The third thing is we look at the
2 hazardous materials that are being proposed to be
3 used at the power plant. Actually they have to
4 use some hazardous materials. One of them the use
5 of aqueous ammonia, is required to be used in
6 selective catalytic reduction. That's a process
7 that reduces another pollutant that would come out
8 of the stack, oxides of nitrogen. So they're
9 required to use selective catalytic reduction, and
10 therefore they're required to use ammonia.

11 But the key is are they storing it
12 properly, are they transporting it properly. And
13 we have never made a recommendation that the
14 transportation of this particular hazardous
15 material, which is in a liquid form, it's mixed
16 with water, be allowed to go by sensitive
17 receptors such as schools or hospitals.

18 And we will look at their offsite
19 consequence analysis. And I'll conduct an
20 independent offsite consequence analysis -- I
21 won't just rely on theirs -- and independent
22 analysis to assure myself that the storage of any
23 hazardous material, in particular aqueous ammonia,
24 is going to be done safely.

25 And that there is a backup system, as

1 secondary containment should the first containment
2 fail. And I want to tell you that in the history
3 of the California Energy Commission there has
4 never been a primary containment vessel of a
5 hazardous materials fail at a CEC-certified power
6 plant.

7 Nevertheless, we don't address the issue
8 and say, okay, nothing has ever happened in the
9 past and therefore you don't have to worry about
10 it. We say, what if there is a failure, for any
11 reason, you have to have a secondary containment.

12 So we will address those issues. And
13 we'll do so with the sensitivity of being aware
14 that there is a school here; that there are
15 residences nearby. And, as the Commissioner has
16 pointed out, we have experience in working at
17 siting with power plants where residences have
18 been even closer than at this location; and
19 schools that have been even closer.

20 I will not make a recommendation, the
21 staff will not make a recommendation one way or
22 another. We're not an advocate for the project,
23 but rather we're an advocate for environmental
24 protection and protection of public health. It's
25 up to the Commissioners to make a decision as to

1 whether or not the plant should be built.

2 But we will give them our best estimate
3 and our best advice as to what impacts there are
4 and what can mitigate any significant impact.

5 UNIDENTIFIED AUDIENCE SPEAKER: Excuse
6 me.

7 HEARING OFFICER SHEAN: Go ahead.

8 UNIDENTIFIED AUDIENCE SPEAKER:
9 (inaudible) if, you know, you may a chemical and
10 it will have impact to, you know, surrounding
11 area. And especially we, as, you know, living
12 very close to the location, we are going to get
13 the first, you know. And how, after it is built,
14 how are you guys going to, you know, fix that
15 problem? It will be too late when it is built.
16 Okay, you know.

17 DR. GREENBERG: We don't just abandon
18 the project once it's been certified by the
19 Commissioners and then built. There is a
20 Compliance Project Manager, and I believe he's
21 here today. And he will follow compliance.

22 And there are inspections; and there are
23 audits; and there are investigations if something
24 should happen and go wrong. We don't just count
25 on the past. We want to insure that there is a

1 perfect record at CEC-certified power plants.

2 Thus far it's an excellent record.

3 PRESIDING MEMBER GEESMAN: And the
4 Commission does retain jurisdiction over the
5 facility as long as it's operating, and then after
6 it's closed, until it's decommissioned.

7 I had a question for the staff. Would
8 your air quality analysis include PM2.5?

9 DR. GREENBERG: Yes, indeed.

10 PRESIDING MEMBER GEESMAN: And is the
11 staff's water expert here tonight?

12 MR. RATLIFF: Yes.

13 MS. DYAS: Yes, she is.

14 PRESIDING MEMBER GEESMAN: Will you
15 review the water approach proposed by the
16 applicant for consistency with the policies
17 adopted by the Energy Commission in the 2003
18 Integrated Energy Policy Report?

19 MS. BOND: Yes, that's correct.

20 HEARING OFFICER SHEAN: Any additional
21 questions or comments?

22 UNIDENTIFIED AUDIENCE SPEAKER: I just
23 had a question for, you know, one of the engineers
24 or whatever, to explain why the facility is to be
25 located in a specific geographic proximity to

1 something as opposed to 20 or 30 miles away from
2 the populated area?

3 MR. KING: Yes. You're using a lot of
4 power in Fresno and in populated areas. And, in
5 fact, we have another plant, the Panoche Energy
6 Center, which is twice as big as the Bullard
7 Energy Center, which is proposed to be built 50
8 miles away from here.

9 So you have, as you grow and your
10 population grows, you have a need for more and
11 more and more power. And it's needed in many many
12 areas. You just have to have some of it here.

13 UNIDENTIFIED AUDIENCE SPEAKER:
14 Geographically why does it need to be in the City
15 as opposed to ten miles out of the City or 20
16 miles out of the City? Is there an engineering or
17 logistical reason why a facility couldn't be
18 located --

19 MR. KING: Well, you could --

20 UNIDENTIFIED AUDIENCE SPEAKER: --
21 populated areas?

22 MR. KING: -- you know, it's from a
23 reliability standpoint, you could choose to locate
24 all your power plants miles and miles and miles
25 away from your population centers and run

1 powerlines all over the place and run the power
2 in. But, there comes a certain point where they
3 become so stressed and they can't reliably carry
4 and deliver the power.

5 I mean, the farther away you put the
6 thing from your use, the more likely you are to
7 have problems in between.

8 MR. CHANDLER: But you do have to have
9 electric transmission lines and gas available to
10 the project.

11 UNIDENTIFIED AUDIENCE SPEAKER: Oh, no,
12 I understand that. I understand the logistical
13 needs of what the plant needs to operate. But it
14 seems like we get power from Canada, you know, the
15 eastern United States. I don't understand why a
16 plant would have to be --

17 MR. CHANDLER: Well, that depends on if
18 you want reliable power or not. I mean power is
19 available from time to time from out of state,
20 even from Canada, perhaps. But you can't count on
21 that power when you need it. And that's the
22 reason you have brownouts and blackouts, because
23 at the time you're having a peak demand everyone
24 else is having a peak demand, too. And power
25 isn't available. And that's why we've all

1 experienced what we've experienced.

2 Let me just point out one other thing
3 that everyone always thinks, well, we should go
4 out and take 50 acres of farmland and build a
5 power plant. But, you know, you may not be
6 familiar with the Williamson Act, but in the State
7 of California if it's prime agricultural land you
8 can't easily take it out of production. You can't
9 just say I'm going to build a power plant and take
10 this farmland out of production. It doesn't work.
11 The state won't allow you to do that.

12 You have similar challenges no matter
13 where you try to build a power plant.

14 MR. FREDERICKS: I might just add one
15 final point. In the process that PG&E went
16 through to select the projects that they wanted to
17 have built they selected seven in their service
18 territory.

19 There were six that were under
20 consideration for the greater Fresno area. Six
21 different locations. PG&E chose this location;
22 this is where there needed to be power plants to
23 serve the load they have an obligation to serve.

24 UNIDENTIFIED AUDIENCE SPEAKER: It's too
25 bad you can't encourage them with their desire to

1 have the plant built that they would have it on
2 some of their property other than the present
3 location (inaudible). And I don't know whether
4 perhaps either this is a -- that those of us here,
5 if you could perhaps draft a letter to them saying
6 that you went to this first initial hearing; that
7 the residents of the area, while we understand the
8 need for power, we'd appreciate their
9 reconsidering their policy. And it would be a
10 great PR move for them to perhaps reconsider that
11 relationship, you know. That would probably work
12 with everyone.

13 (Parties speaking simultaneously.)

14 MR. FREDERICKS: The Herndon Substation
15 does have considerable amount of PG&E property
16 near it, but it was PG&E's senior management that
17 decided that they were not going to make any of
18 the PG&E-owned real estate available for new power
19 plants. It would be nice if they were to change
20 their mind, but that's the company position.

21 UNIDENTIFIED AUDIENCE SPEAKER: I
22 recognize that, but I'm just saying that to be a
23 good neighbor with us it might be good to at least
24 try again. It's kind of like the kid; eventually
25 he asked mom for a cookie; about the fifth or

1 sixth time she gives it to you.

2 Just to take a look. There's nothing
3 lost in asking. And then I wanted to say, if
4 we're going to end up being your neighbors, we
5 would be better neighbors if you would, you know,
6 maybe make that small concession, you know.

7 Like I say, we recognize our need for
8 energy.

9 MR. FREDERICKS: We understand that.
10 Well, we have discussed this with PG&E in the
11 past. There are residences near the Herndon
12 Substation, too. And I would invite those of you
13 who are interested in the alternative site issue
14 to drive up there. And you'll notice that there
15 are homes probably closer than yours to the place
16 where PG&E might make a site available.

17 But they need the land right around the
18 substation for future expansion. And I don't
19 think it's realistic to expect that they're going
20 to make that property available for a power plant.

21 It's a good idea, we agree. I tried
22 that a few years ago, and that's PG&E's position.
23 So, we respect that; we understand it. There are
24 legitimate business reasons for them to have made
25 that decision. But this is the best location that

1 we could find to build the plant that they need to
2 have constructed to serve all of you at peak times
3 for the years to come.

4 UNIDENTIFIED AUDIENCE SPEAKER: Can I
5 ask one question? Can I ask a question?

6 HEARING OFFICER SHEAN: Go ahead, ma'am.

7 UNIDENTIFIED AUDIENCE SPEAKER: You keep
8 talking about how this power is going to serve all
9 of us. But there's no guarantee, is there, that
10 the power's going to stay local? It's just going
11 to be another piece in the chain, isn't it? And
12 it could be transporting somewhere else, just like
13 we transport theirs to here.

14 MR. FREDERICKS: I'll leave to experts
15 at later hearings a more detailed technical and
16 engineering explanation. But in layman's terms
17 there's an old saying that electrons flow to the
18 load. So, if you go into your house and flip on a
19 light switch, where does that electricity come
20 from? It comes from the nearest place it exists.

21 So if this plant is constructed, the
22 output of the plant is going to flow to and be
23 consumed by the persons who are physically closest
24 to it. The electrons are not going to jump from
25 Canada to Fresno first.

1 So, it's part of the laws of physics and
2 electricity that the electricity produced at this
3 power plant will support the region that it is
4 closest to physically.

5 UNIDENTIFIED AUDIENCE SPEAKER: I have a
6 followup question. I know you're going to hate me
7 by the time this is done. My followup question is
8 that, okay, so you're creating power and PG&E's
9 obligated to buy it for the next 20 years.
10 Doesn't that give this company quite a bit of
11 power as to what they charge, because -- and then
12 PG&E is going to pass that down to us, because
13 we're obligated to buy it from them?

14 MR. FREDERICKS: PG&E is going to
15 provide electricity to its customers; it's
16 obligated to do that as a public utility. We
17 don't purport to understand all the details of how
18 they do that. They're obligated to serve all of
19 their customers. They intend to do it in a
20 responsible way.

21 They are building or having people like
22 power companies build new plants because there's a
23 growing load throughout their territory, and they
24 do it through a PUC-approved process that involves
25 competitive bidding and selection by PG&E, with

1 outside involvement of the public advising them
2 about the sites and the contracts that they sign,
3 to get the best fit for the utility customers.

4 UNIDENTIFIED AUDIENCE SPEAKER: Okay.
5 I'm sorry. I'm not sure that I understood your
6 answer; I'm not sure that you understood my
7 question.

8 PRESIDING MEMBER GEESMAN: I think I got
9 your question. Let me try to answer it. I don't
10 think the answer will completely satisfy you, but
11 I do think that to the best of my knowledge, it is
12 the way state government approaches that question.

13 PG&E is regulated by the Public
14 Utilities Commission. They have approved PG&E's
15 procurement process. PG&E conducted a bidding
16 process; this particular applicant was one of the
17 winners. The contract is subject to the PUC's
18 approval; the pricing provisions of the contract
19 are subject to the PUC's approval process.

20 It's not something that is left to the
21 discretion of either this applicant or PG&E, but
22 rather will receive the imprimatur of the
23 regulator that California law has designated with
24 the responsibility to look over the contract.

25 UNIDENTIFIED AUDIENCE SPEAKER: So then

1 if I have an issue with the price I'm being
2 charged because of this new plant and their
3 obligation for PG&E to buy that power, I should
4 address this other Commission that you're talking
5 about?

6 PRESIDING MEMBER GEESMAN: Yeah. And
7 I'm sorry there's so many commissions in state
8 government. It always seems like it's somebody
9 other than the people in front of you. But, the
10 PUC was created by the state constitution; and
11 they regulate utility rates.

12 UNIDENTIFIED AUDIENCE SPEAKER: No, I
13 understand that. So, thank you.

14 UNIDENTIFIED AUDIENCE SPEAKER: What
15 happens after the plant's built, will the
16 agreements that are made with these people follow
17 through with the owners that take over the plant,
18 in the event that a sale and transfer is made?

19 PRESIDING MEMBER GEESMAN: Again, that
20 would be subject to the Public Utilities
21 Commission's regulation. My answer would be not
22 necessarily. There's a 20-year contract currently
23 that would be associated with the plant. There's
24 no assurance that PG&E will buy the output after
25 20 years. There's no indication as to what the

1 price will be. And I'm not aware if there are
2 restrictions on transfer of the plant during the
3 20-year term or not.

4 UNIDENTIFIED AUDIENCE SPEAKER: Can I
5 ask another -- related question? You're
6 indicating that these towers will require water
7 for cooling. At peak how many gallons per minute
8 are we talking? Are we talking where the water
9 needs to be drawn through there, and at peak
10 times. Is that going to affect water delivery to
11 those of us who live in the neighborhood? Has
12 anybody looked at the system for water supply?
13 You're talking about the City water system, and
14 then it's close to the plant.

15 So I'm just curious, since I live very
16 close to that area, it would be a real bummer to
17 want to, you know, turn on the faucet to give the
18 dog some water, or something, and we'll be trying
19 to take a shower and see some kind of a pressure
20 drop.

21 MR. KING: Yes. Yes, we have talked
22 with the City and done studies on the amount of
23 water that will be used in the plant. It's .4 of
24 1 percent of the total City's annual supply of
25 water. But beyond that they've studied the mains

1 in the area and the need for water. And you will
2 not suffer in that regard.

3 The total annual amount of water
4 consumed is less than 670 acrefeet per year. And
5 that's at full load for the 5000 hours.

6 UNIDENTIFIED AUDIENCE SPEAKER: The
7 gentleman who asked the previous question was
8 actually asking about if this plant were to be
9 approved with the environmental contingent,
10 environmental and other conditions, would the new
11 owner be bound by those conditions?

12 PRESIDING MEMBER GEESMAN: The question
13 is absolutely yes. And you're the guy that will
14 be responsible for enforcing those conditions.

15 (Laughter.)

16 UNIDENTIFIED AUDIENCE SPEAKER: You
17 would approve that new owner and that new owner
18 would agree, under penalty of perjury, that they
19 were willing to fulfill (inaudible).

20 UNIDENTIFIED AUDIENCE SPEAKER: Looking
21 at the noise survey, you conducted your survey
22 August. But (inaudible) adjustments for that.

23 PRESIDING MEMBER GEESMAN: Is the staff
24 noise expert here?

25 MR. RATLIFF: No.

1 PRESIDING MEMBER GEESMAN: Is there
2 anybody that could describe how that study is to
3 be performed?

4 MR. RATLIFF: Not with confidence.

5 UNIDENTIFIED AUDIENCE SPEAKER: Maybe
6 somebody look at some noise (inaudible). Also, I
7 mean some (inaudible) living next to a power
8 plant. It just the idea (inaudible) what the
9 power plant looks like. I'm familiar with cogens
10 and they are fairly clean. So I don't have any
11 trouble living next to a power plant. I have a
12 lot of trouble living (inaudible) pollution
13 exposure. This is your risk now, which is
14 (inaudible).

15 HEARING OFFICER SHEAN: I think we can
16 give you a partial answer because Commissioner
17 Byron and I just concluded a case that was in El
18 Centro. And that question come up. And in a
19 companion case near Niland, where we're talking
20 about residences in a trailer park that was less
21 than a quarter-mile away from the project.

22 And the staff's approach is that it will
23 measure the projected noise that's added by the
24 facility operating at its maximum capacity. And
25 in the past the applicants have provided their

1 noise modeling for the overnight case as an
2 average for essentially all the nighttime hours.

3 The staff has rejected the average for
4 all nighttime hours, and instead is looking for
5 peaks that occur within smaller segments than all
6 nighttime hours. So that what the applicant would
7 have to comply with would be throughout the night
8 any increase that would occur. So you get the
9 most silent times of the overnight hours, they
10 cannot exceed the noise limits that are
11 applicable.

12 And I think this would either be through
13 the City of Fresno or Fresno County under these
14 circumstances. So, it is a very restrictive noise
15 analysis. And it's one that we have used
16 consistently for the last number of years. So
17 it's a very strenuous, very rigorous limitation on
18 nighttime noise.

19 All right, Nick.

20 MR. BARTSCH: Thank you, Mr. Shean.

21 Nick Bartsch, Public Adviser's Office. I'd like
22 to make a couple of clarifying comments. As you
23 know, the Public Adviser is an independent office
24 within the Energy Commission, but independently
25 appointed -- headed by an independent Governor's

1 appointee.

2 And our main purpose is to do the
3 outreach and letting you know about power plant
4 sitings and making sure that you are aware of the
5 events that are going on. And then secondly, to
6 insure that you have full and meaningful
7 participation in the entire process.

8 Now, within this responsibility I'd like
9 to clarify a couple of points. And we usually get
10 an opportunity to make these comments at the
11 beginning of the hearing, but since we didn't have
12 that opportunity I want to clarify a couple of
13 issues that came up during the hearing.

14 One, the first one is our public
15 outreach, notification of this meeting or other
16 meetings. We have, as soon as the date and time
17 and place of this particular hearing and site
18 visit was available.

19 And then we started our outreach
20 process. We made sure that notices were filed in
21 The Sacramento Bee, both -- and in The Fresno Bee,
22 both in English and Spanish issue. And these
23 notices were in these papers on January 31st and
24 February 2nd.

25 In addition, the Hearing Office about

1 ten days preceding -- 10 or 14 days prior to this
2 particular hearing, made arrangements for and
3 notice to appear in The Fresno Bee.

4 In addition to that we have arranged for
5 public service notices in the local media, both in
6 television and on radio.

7 But to supplement all these notices we
8 have also made arrangements -- we make
9 arrangements to publicize these hearings, which is
10 the initial hearing, in this long process through
11 schools. What we do typically, if the schools or
12 the school district approves it, then we provide
13 them with the flyers to distribute.

14 In this particular case there are two
15 school districts involved. The first one never
16 really responded to our request; did not give us
17 the approval. The second one, the Central Unified
18 School District, did. But by the time they
19 approved it, which was the middle of last week.
20 We have to get the flyers down and then they had
21 to sort it, so they distributed it to the schools
22 in the last minute. And, you know, we're sorry
23 for that lateness of it, but you have to
24 understand that this is supplementing all other
25 notices that you have already received. So that's

1 one clarification.

2 And we continue to give you or try to
3 give you as advance notice as we possibly can.
4 And one of the best ways to do that is to keep
5 abreast on this from now on is checking on the
6 internet on this particular site. And/or also
7 signing up for it, and you will be getting, if you
8 don't have internet access, you'll be getting
9 notices in the mail.

10 The second issue that I'd like to
11 clarify is the intervention process. Now, you can
12 participate in the process two ways, as Mr. Shean
13 explained.

14 One is just providing input; and your
15 comments will be taken and it will be part of the
16 record.

17 But if you wanted to be an official
18 participant where you can actually participate in,
19 ask questions, cross-examine witnesses, you can do
20 that by becoming an intervenor. And to do that
21 it's really not complicated. You don't have to be
22 an attorney to be doing that, you can be
23 representing yourself. And we are here to assist
24 you to be involved in the process. Feel free to
25 talk to me or contact me after this meeting to

1 find out how you can participate, and we will help
2 you with that.

3 So, I hope that clarifies it. The other
4 point I wanted to make sure that you understand,
5 you can really intervene any time prior to the
6 evidentiary hearings. But it is really in your
7 best interest to intervene as soon as you decide
8 that you want to become a formal participant in
9 the process. So, the sooner the better, because
10 that way you will have the benefit of a lengthier
11 process rather than intervening at the tail end of
12 the process. Is that clear?

13 And then feel free to come, and I'll
14 stay as long as I need to, to answer your
15 questions. Any questions about what I just talked
16 about? Thank you very much.

17 HEARING OFFICER SHEAN: Are there any
18 further questions or comments? We're prepared to
19 stay here long enough to address them. But once
20 we've sort of exhausted your questions or
21 comments, we feel like we should free you up for
22 the rest of the evening. Yes, ma'am.

23 UNIDENTIFIED AUDIENCE SPEAKER: There
24 isn't any sort of deadline to be even part of the
25 interest -- is there any kind of deadline to be on

1 the --

2 MR. BARTSCH: On the interest, no.

3 UNIDENTIFIED AUDIENCE SPEAKER: So all
4 you have to do is call the number in your --

5 MR. BARTSCH: Correct. Just sign in,
6 sign in for yourself on this --

7 UNIDENTIFIED AUDIENCE SPEAKER: For our
8 neighbors who aren't here tonight?

9 UNIDENTIFIED AUDIENCE SPEAKER:
10 Officially how long -- discharge plume
11 (inaudible). I'm from Monterey so I'm used to
12 seeing the Moss Landing stacks. So I'm just kind
13 of curious; I mean, how big are these discharges
14 going to be?

15 MR. KING: Not close to Moss.

16 UNIDENTIFIED AUDIENCE SPEAKER: Or is
17 that determined by the weather?

18 MR. KING: Okay, first, out of the
19 stacks there will be no visible emissions ever.
20 The cooling tower may have a plume when it is cold
21 humid conditions, and there will be some modeling
22 that is done by CEC Staff to estimate the
23 frequency of that and the size of the plume and
24 the shape of the plume. But we don't have that
25 information at this point in time.

1 HEARING OFFICER SHEAN: And I guess it
2 should be indicated, the plume that arises from
3 the cooling tower under those meteorological
4 conditions is water vapor.

5 MR. KING: Water vapor.

6 HEARING OFFICER SHEAN: There is no
7 smoke or combustion contaminants associated with
8 that.

9 UNIDENTIFIED AUDIENCE SPEAKER: Okay.
10 And you think that this is going to be a plant
11 that satisfies the peak load that'll be when it's
12 hot, hot and dry, and then not your plume during
13 those times.

14 MR. KING: Right, that is correct.

15 HEARING OFFICER SHEAN: Anything else?
16 All right, we really want to thank you for your
17 attendance, your questions and your comments.
18 They're important to us. As we said, we will be
19 back, the staff will be back, and we'll let you
20 know well in advance when that is.

21 Thank you very much.

22 (Whereupon, at 7:32 p.m., the
23 informational hearing was adjourned.)

24 --o0o--

25

CERTIFICATE OF REPORTER

I, PETER PETTY, an Electronic Reporter,
do hereby certify that I am a disinterested person
herein; that I recorded the foregoing California
Energy Commission Hearing; that it was thereafter
transcribed into typewriting.

I further certify that I am not of
counsel or attorney for any of the parties to said
hearing, nor in any way interested in outcome of
said hearing.

IN WITNESS WHEREOF, I have hereunto set
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